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Unemployment Insurance Review

November–December 1965

In this issue . . .

Feasibility of Employee Contributions to UI Funds
Experience-Rating Operations in 1964

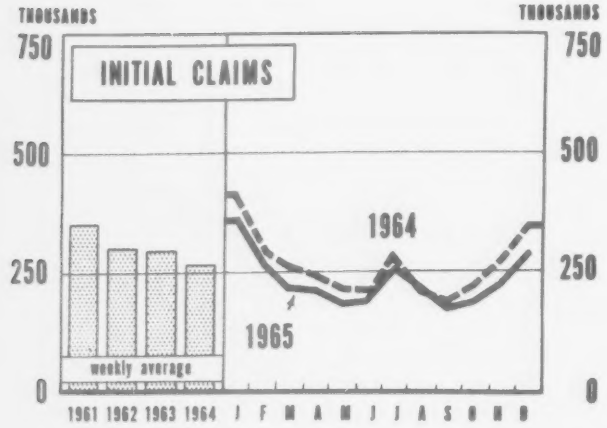
Also . . .

Index—1964–65 Issues

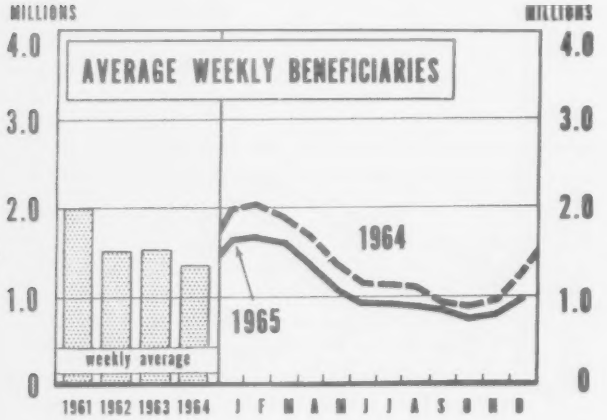
UNITED STATES DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

UNEMPLOYMENT INSURANCE ACTIVITIES

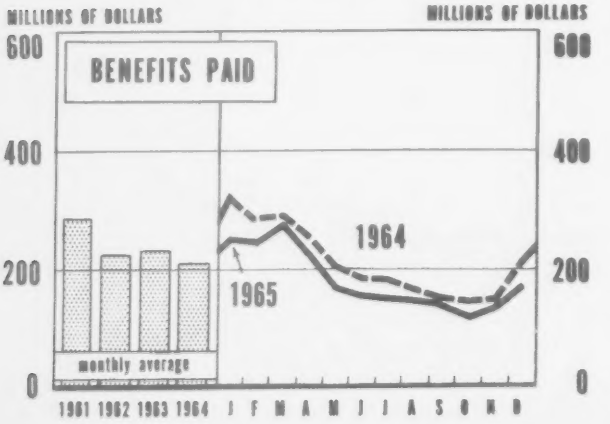
UNDER STATE PROGRAMS



During December, initial claims averaged 290,000 per week or 28 percent above the November figure. This increase was about the expected rise for this time of year. Compared with a year earlier, claims were down by 17 percent.



The number of beneficiaries under State unemployment insurance programs averaged 990,000 per week in December. Compared with weekly averages of 794,000 in November and 1.3 million a year earlier, the December number was the lowest for this month in 9 years.



Some $172 million in benefits was paid out in December to insured jobless workers under State unemployment insurance programs. This was about $40 million more than in November, but $39 million below the year-earlier amount.

Unemployment Insurance Review

November–December 1965
Vol. 2 Nos. 11 and 12

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CONTENTS

SPECIAL ARTICLES

Feasibility of Employee Contributions to UI Funds 1

Experience-Rating Operations in 1964 . . 5

DEPARTMENTS

Issues Reflected in Recent Appeals Decisions 11

Unemployment Insurance Decisions . . . 13

Trends in the Economy 15

Insured Unemployment 21

Summary Statistics:

Tabulations 24

Charts . . . . . Cover 2; 19, 23

Maps 16, 17

Index—1964–65 Issues 31

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Feasibility of Employee Contributions to UI Funds

*Paul V. Johnson and Seema A. Shirodkar**

Current interest in improving the financing of State unemployment insurance programs revives questions on the feasibility of employee contributions. The following article reports the results of a recent survey of the different attitudes toward some of these questions among business and labor groups and the State employment security agencies.

AMONG the many aspects of the unemployment insurance program under review in recent years, the level of benefits has been especially criticized. Successive national administrations have urged an increase in typical benefit levels under the State unemployment insurance programs. One-half the regular earnings of an eligible claimant has been suggested as a minimum goal for unemployment compensation payments.

Many ways of financing increased benefit levels have been suggested. Higher employer tax rates, increased values for the taxable earnings base, governmental subsidies from general revenues, and employee contributions represent some possible sources of funds. All of these approaches have both strengths and weaknesses.

The authors recently examined some aspects of the last-mentioned method of financing higher benefit levels—that of employee contributions. There is precedent for such an approach in the unemployment insurance experience of a number of States, as well as in the matching contribution plan followed under the old-age and survivors disability insurance program. An important factor in the initiation of major changes in the existing unemployment insurance systems is public opinion. In particular, the views of employers and organized labor groups have great bearing on the practicality of any such proposed changes. Whatever the merits of employee contributions, such contributions could serve as a means of raising the volume of funds available for benefit payments and thus increase benefit levels without any necessary increase in employer contributions.

It was the purpose of the study described below to determine the feasibility of employee contributions in the light of current attitudes of organized labor and employers toward such contributions. No attempt was made to judge the desirability of this method as compared to other methods of implementing higher benefit levels and broader coverage of existing programs.

Three States (Alabama, Alaska, and New Jersey) currently collect small sums from covered employees to augment taxes levied on employers under their unemployment insurance programs. Historically seven other States have had such contributions for some period of time (California, Indiana, Kentucky, Louisiana, Massachusetts, New Hampshire, and Rhode Island). An eighth State, Idaho, repealed its provisions before they were to become effective. The experience of these States will be summarized briefly later in this article.

Basic Survey

Letters of inquiry were sent to State chambers of commerce, State AFL–CIO offices, and State employment security agencies in each of the 39 States that have had no experience in employee contributions. The purpose was to obtain the reactions of business groups, labor groups, and

*Professor Johnson is Associate Professor of Economics and Chairman of the Industrial Relations Committee, Herman C. Krannert, Graduate School of Industrial Administration, Purdue University, Lafayette, Ind., and Mrs. Shirodkar received her M.A. in Industrial Relations under his direction.

governmental administrative agencies which represent business, labor, and the general public on several specific questions related to employee contributions. It should be noted that the opinions gleaned from this survey represent those of only a segment of the business, labor, and public sectors of the economy. State chambers of commerce, of course, cannot be taken as spokesmen for the entire business community. Similarly, responses of spokesmen for AFL–CIO State federations cannot be considered representative of the entire labor movement. Moreover, organized labor cannot speak for the unorganized worker. It is believed, however, that these two groups represent important indicators of business and labor opinion. Administrators in the State employment security agencies are often in a particularly good position from which to evaluate public opinion toward the unemployment insurance programs they administer.

While higher percentages of response would have been welcomed, the percentages attained appeared adequate for the purposes of this study. It seems reasonable to assume that where the business and labor groups had any clearly formulated policy on employee contributions they would have been desirous of publicizing their position by replying to the letters of inquiry. Table 1 summarizes the responses to the basic survey.

TABLE 1.—RESPONSES TO BASIC SURVEY

Group	Number of letters	Number of responses	Percent of responses
State chambers of commerce	39	20	51
State AFL–CIO offices	39	15	38
State employment security agencies	39	31	80
Total	117	66	56

Some respondents did not answer all of the specific questions asked. In certain cases it was pointed out that the group's position on particular questions was uncertain. Both business and labor spokesmen sometimes refused to comment on the assumed position of a group they did not represent. Response totals are indicated below in the summaries of the responses to each question.

In a few cases respondents indicated they were expressing personal rather than official views. However, these responses were included below as representing the best crystallization of opinion feasible.

The first question asked was whether it was believed that employees should contribute to unemployment insurance funds. Most respondents answered negatively. Replies are presented in table 2.

TABLE 2.—RESPONSES TO QUESTION WHETHER EMPLOYEES SHOULD CONTRIBUTE

Group	Responses			
	Yes	Yes (conditionally)	No	No reply
State chambers of commerce	2	----	8	10
State AFL–CIO offices	----	[1] 1	13	1
State employment security agencies	----	----	18	13
Total	2	1	39	24

[1] Indicated that unemployment insurance laws should be liberalized.

It sometimes has been argued that if employees were to contribute to unemployment insurance funds, they would have a greater voice in the administration of these programs. Upon being asked whether or not they agreed with this point of view, chamber of commerce and employment security agency respondents had mixed reactions. AFL–CIO respondents generally took a negative view. Replies are presented in table 3.

TABLE 3.—RESPONSES TO QUESTION WHETHER EMPLOYEE CONTRIBUTIONS WOULD GIVE EMPLOYEES A GREATER VOICE IN THE ADMINISTRATION OF PROGRAMS

Group	Responses		
	Yes	No	No reply
State chambers of commerce	5	7	8
State AFL–CIO offices	1	13	1
State employment security agencies	8	11	12
Total	14	31	21

Each of the three groups were asked whether they felt that management would favor the introduction of employee contributions into their State's unemployment compensation program. Chamber of commerce and employment security agency spokesmen generally responded negatively while a majority of AFL–CIO spokesmen replied in the affirmative. Replies are presented in table 4.

TABLE 4.—RESPONSES TO QUESTION WHETHER RESPONDENTS FELT MANAGEMENT WOULD FAVOR EMPLOYEE CONTRIBUTIONS

Group	Responses			
	Yes	Yes (conditionally)	No	No reply
State chambers of commerce	1	1	11	7
State AFL–CIO offices	7	1	4	3
State employment security agencies	----	1	17	13
Total	8	3	32	23

Two employer representatives pointed out that it would be difficult to develop a system similar to experience rating for employees. It was argued that such a program would not be easy to police and would be characterized by high administrative costs—costs that would be borne by employers. Employers seemed to fear that employees who contributed to unemployement insurance funds would be likely to view compensation as an unqualified right. One respondent suggested that employee contributions probably would result in higher wage demands by labor unions. This last viewpoint was also expressed by spokesmen for several State employment security agencies. Some of the State administrators also noted that employee contributions might reduce management influence on the programs and lead to more liberal unemployment compensation systems. On the other hand, a number of AFL–CIO respondents seemed to feel that management would accept employee contributions, since no increase in employer taxes would be likely to occur.

The three groups were next queried as to whether they felt labor would favor the introduction of employee contributions. Responses to this question were generally negative, as shown in table 5.

TABLE 5.—RESPONSES TO QUESTION WHETHER RESPONDENTS FELT LABOR WOULD FAVOR EMPLOYEE CONTRIBUTIONS

Group	Responses			
	Yes	Yes (conditionally)	No	No reply
State chambers of commerce	----	----	13	7
State AFL–CIO offices	----	1	10	4
State employment security agencies	----	1	17	13
Total	----	2	40	24

Employer respondents stated their belief that labor would oppose employee contributions because of resulting reductions in take-home pay. Several labor spokesmen argued that such contributions would represent "double taxation" in that employees already bear the tax burden as consumers. Employment security agency spokesmen agreed, generally, with the views expressed by employers.

The final question raised was whether legislation to introduce employee contributions was likely in the States represented by respondents. Responses were generally negative as indicated in table 6.

TABLE 6.—RESPONSES TO QUESTION WHETHER EMPLOYEE CONTRIBUTIONS WERE LIKELY TO BE INTRODUCED INTO THE LAW OF RESPONDENT'S STATE

Group	Responses			
	Yes	Possibly	No	No reply
State chambers of commerce	----	----	16	4
State AFL–CIO offices	----	3	4	8
State employment security agencies	----	1	25	5
Total	----	[1] 4	45	17

[1] Each indicated such a change might occur if other major changes in the programs were to be made.

Experience With Employee Contributions

Letters of inquiry about employee contributions to unemployment insurance funds were sent to all State chambers of commerce, State AFL–CIO headquarters, and State employment security agencies in the States that collected employee contributions in the past and to those that have such a plan at present. Questions regarding history and nature of the plans and reactions to employee contributions were asked. Reasons for abandonment were sought in the case of States no longer utilizing employee contributions. Replies to these inquiries are presented in table 7.

TABLE 7.—RESPONSES TO INQUIRIES IN STATES HAVING EXPERIENCE WITH EMPLOYEE CONTRIBUTIONS

Group	Number of letters	Number of responses
State chambers of commerce	11	9
State AFL–CIO offices	11	9
State employment security agencies	11	10
Total	33	28

Of the seven States that have eliminated employee contributions from their unemployment insurance laws, five had collected such contributions for at least 3 years.[1] California collected employee contributions for a period of 10 years, Kentucky for 5, Louisiana for 4, Massachusetts for 3, and Rhode Island for 9. The remaining two States (Indiana and New Hampshire) had less than 1 full year's experience with employee contributions. (Idaho repealed its provisions before they were to become effective.)

Employer and employee contributions in the States that have eliminated employee contributions ranged from 1.5 percent to 2.7 percent of covered wages as employer rates and 0.5 percent to 1.5 percent as employee rates.

In the three States presently collecting employee contributions (Alabama, Alaska, and New Jersey), average annual employer rates have ranged from 0.80 percent to 2.90 percent of covered wages, while similar rates for employees have ranged from 0.25 percent to 1.00 percent. Employee contribution rates have, in most years, been considerably below employer rates.

An attempt was made to determine some of the reasons for the abandonment of employee contributions in the eight States that have thus changed their laws. It proved impossible to determine with certainty the basic reasons for such action in a given State. The literature on this subject is sparse. Furthermore, such changes occurred many years ago in some States, and informed persons cannot be reached for comment in most cases. Nevertheless, a search of published materials and correspondence with representatives of the employer, labor, and governmental groups discussed above suggest the following reasons for abandonment of employee contributions:

1. Funds accumulated so rapidly that employee contributions were considered unnecessary.
2. Use of experience rating for employers increased, and it was not considered feasible to develop a similar system for employee rates.
3. The mechanism for collection of employee contributions was deemed unwieldy and uneconomical.
4. Employers desired elimination of employee contributions to increase employer influence in administration of the funds.
5. Employees desired elimination of their contributions on the grounds that workers had no control over unemployment.
6. Organized labor frequently opposed employee contributions.
7. Opposition to employee contributions was, on occasion, a point in State political platforms.
8. The typographical arrangement of Federal draft bills may have suggested to State legislators that employee contributions might well be omitted.
9. In Rhode Island, employee contributions to temporary disability compensation funds were preferred by voters over such contributions to unemployment compensation funds.
10. Workers questioned the rationale of contributions since these contributions were not reflected in benefits greater than those in States with no employee contributions.
11. It was asserted that employee contributions fostered the worker viewpoint that benefits should be collected in marginal cases.

Discussion and Conclusions

On the basis of the responses from the groups surveyed, the probability of increased use of employee contributions to unemployment insurance funds seems remote. Despite these findings, it should be noted that proposals to introduce employee contributions into State systems have been put forward in a number of cases. State employment security agency officials report consideration of this topic in Kansas, Minnesota, Nevada, North Dakota, Oregon, and Pennsylvania. According to State chamber of commerce representatives, the topic of employee contributions has been under discussion recently in Florida, Illinois, Iowa, Montana, and Pennsylvania. The AFL–CIO offices also reported some interest in employee contributions in Connecticut, Montana, and Oregon.

Although there have been discussions, either formal or informal, of employee contributions in several States, it seems unlikely that State laws will be modified in this area in the near future. However, a possible route for change would be an amendment to the Federal law introducing employee contributions. The sentiments reflected in the study reported above, however, do not seem very conducive to such a possibility.

[1] Information presented in this and the following paragraph was compiled primarily from data published in the *Employment Security Review* from 1935 through 1963.

Experience-Rating Operations in 1964

Interstate Differences

*Paschal C. Zecca**

THE experience-rating provisions of State laws in 1964 operated toward generally lower contribution rates for employers. This is indicated by the decline in the average employer tax rate over the previous year, both nationally and in nearly two-thirds of the States. The average tax rate, expressed as a percent of *taxable wages*, was 2.21 percent in 1964 compared with 2.31 percent in 1963 and 2.36 percent in 1962 (table 1). Declines were relatively larger in the average rate based on *total wages*—1.26 percent in 1964, 1.34 percent in 1963, and 1.39 percent in 1962.

In spite of reductions in employer taxes, however, State tax collections increased during the period—rising by $67 million to $3.02 billion in 1963 and by $28 million to an alltime high of $3.05 billion in 1964. The substantial increases in covered employment contributed in large part to the high level of employer contributions as indicated by the increase in coverage under State programs to a record level of 43.2 million workers, over 1 million above the 1963 average and close to 2 million above that for 1962. These financial figures and the analysis of State differences in some of the more significant experience-rating operations that follows do not comprise a comprehensive appraisal of the financing of the unemployment insurance systems.[1] They do permit, however, an appraisal of rate-setting methods used by the States and an evaluation of short-range considerations used in the financing of the unemployment insurance programs of the States.

Average Tax Rates

State unemployment insurance tax rates apply only to a limited amount of an individual employee's annual salary. In the early years of the unemployment insurance program, when most workers earned under $3,000 a year, the tax rate as applied to a $3,000 wage base covered practically *all* wages. For example, in 1939 with the $3,000 taxable wage base, about 98 percent of wages in covered employment was taxable. As a result of rising wages and the tax base limitation, the proportion of total wages that is taxable has been decreasing, so that now about 57 percent of all wages in covered employment is taxable. The widening gap between taxable and total wages, therefore, clearly introduces the element of incomparability among States with different tax bases. Unless differences in the tax base are taken into account, an analysis of average tax rates may be obscured or even invalidated.

The 1964 average State employer tax rates (employer contributions as a percent of taxable wages) show, as usual, a considerable range by State, varying from 0.77 percent in Iowa to 3.12 percent in Wyoming. Both these States have a tax base of $3,000. Using the *effective* tax rate (tax payments as a percent of *total* wages instead of *taxable* wages), the average tax rate was again lowest for Iowa at 0.44 percent, but Wyoming was replaced as highest in the range by Alaska, with a tax rate of 2.39 percent. Average tax rates on both bases are presented in table 2.

Even among States having the same wage base, the use of total wages instead of taxable wages in computing tax rates provides a more valid comparison, since geographical wage rate differentials are reflected in varying degrees in the taxable wages in a State. The first point can be illustrated by comparing two States, each with a tax base of $3,000 and a tax rate based on taxable wages of 1.6 percent. If one State has a 3 : 4 ratio of taxable-to-total wages, its effective tax rate (using total wages) would be 1.2 percent ($\frac{3}{4} \times 1.6$); if the other State has a 1 : 2 ratio, its corresponding tax rate would be 0.8 percent ($\frac{1}{2} \times 1.6$). This comparison indicates that a low-wage State may have an effective tax rate considerably higher than that of a high-wage State. Since benefit

*Office of Actuarial and Financial Services, Unemployment Insurance Service, Bureau of Employment Security.

[1] Articles analyzing interstate differences in the more substantive financial developments, for fiscal and calendar years, have been appearing regularly in the *Unemployment Insurance Review*.

costs under the unemployment insurance program are related to the movement of total wages and are so measured (benefit payments as a percent of total wages), effective tax rates provide a clearer gauge of how program costs are being met.

An actual example illustrating the second point is shown in the following table. Mississippi's 1964 tax rate, based on taxable wages (2.29 percent), is lower than the rates for Michigan (2.63 percent) and New Jersey (2.69). On the basis of total wages, however, the tax rate for Mississippi is higher than for the other two States because of its higher ratio of taxable wages to total wages (69 percent) and in spite of Michigan's higher tax base of $3,600.

In 1964, 4 out of the 51 experience-rating States made their experience-rating provisions inoperative; reduced tax rates were not available to employers in those States. The automatic suspension of reduced rates whenever the fund is below the required safety level is provided by the laws of 28 States as a fund solvency protective device. Under this type of provision, Nevada, Rhode Island, and Washington taxed all employers at the standard rate of 2.7 percent, while Wyoming taxed *rated* employers 3.2 percent (2.7 percent standard rate plus 0.5 percent as an additional tax for noncharged benefits) and *nonrated* employers at 2.7 percent. (In compliance with Federal standards, an employer newly subject to the law pays the standard rate for a minimum number of years before he may become eligible for a reduced rate, after which he is considered as an employer *eligible* for rate variation.)

Modification of Employers' Rates

Table 3 shows the proportion of taxable wages that are taxed at specified tax-rate intervals, by type of experience-rating plan. A trend toward an increase in the number of States which tax employers at rates above 2.7 percent, and in the amount of wages so taxed, is significant in indicating a movement toward a more balanced tax structure and a wider range of tax rates. Since 1958, there has been a sevenfold increase in the proportion of taxable wages taxed at rates above 2.7 percent—from 4.0 percent involving only 10 States in 1958, to 32.1 percent involving 30 States in 1964.

At the lower end of the tax-rate scale, specific rates accounted for a smaller proportion of total taxable wages. Thus, only 1.3 percent of employers' taxable payrolls (a total of 8 States) were taxed a zero rate. This compares with 2.2 percent (8 States) in 1960, and 5.6 percent (11 States) in 1958. More significant differences may be observed for tax rates under 1.0 percent. This rate interval accounted for 21.1 percent of payrolls and 33 States in 1964, compared with 26.8 percent of payrolls and 39 States in 1960 and 50.9 percent of payrolls and 46 States in 1958.

In 1964, at least 50 percent of taxable wages in five States was taxed at rates above 2.7 percent. These States (all of which have a wage base above $3,000 except New York) and their maximum tax rate in effect were: Alaska, 4.0 percent; California, 3.0 percent; Michigan, 4.6 percent; New York, 3.8 percent; and Pennsylvania, 4.0 percent. States with a large proportion of wages taxed at the 4.0 percent rate or higher included Pennsylvania heading the list with 37.1 percent, followed by Ohio with 32.9 percent and Michigan with 27.6 percent.

Some employers in eight States received a zero contribution rate in 1964; of the eight States in that category, the proportion of wages (and the number of employers) that fell in the zero rate class was substantial in three. Over one-half of the rated employers in South Dakota, accounting

State	Percent of taxable wages		Percent of total wages		Taxable wages as percent of total wages
	Average tax rate	Rank of State tax rate (high to low)	Average tax rate	Rank of State tax rate (high to low)	
United States	2.21	----	1.26	----	57
Mississippi	2.29	16	1.59	9	69
Michigan	2.63	12	1.44	15	55
New York	2.69	11	1.39	17	52

for two-fifths of the taxable wages, received a zero rate in 1964. In West Virginia the comparable figures were one-third of each, and in Iowa over two-fifths of the employers and one-fourth of wages.

Taking the proportion of wages taxed at under 1.0 percent, States with the largest proportion of wages so taxed were: Iowa, 81.8 percent; Virginia, 74.7 percent; and Minnesota, 73.1 percent. These accounted for the following percent of employers: Iowa, 87.2 percent; Virginia, 73.2 percent; and Minnesota, 74.7 percent.

Noncharged Benefits

In nearly all States (47), certain types of benefit payments are not charged to individual employers. Although methods vary as to how these noncharges are financed, the unemployment insurance system bears the cost. The rationale for noncharging of benefits rests on the assumption that certain types of compensable weeks of unemployment are clearly not attributable to the action of an individual employer and therefore should not be charged against him. The States are not uniform in their provisions for noncharging.[2] Among the types of benefits which are not charged to an employer's experience are those based on short-term employment, dependents' allowance, benefits paid following a period of disqualification for voluntary quit, misconduct, and refusal to accept suitable work.

Forty of the 47 States for which data on noncharged benefits are available show that these benefits constituted 8.2 percent of their total benefit payments. The reserve-ratio States (31) reported 10.1 percent of their benefits as noncharged; the proportion was highest for South Carolina (42.4 percent) and lowest for Indiana and New Mexico, which reported none. (See table 4.)

Of the eight States operating under a benefit-ratio plan, Maryland had the highest proportion of benefits noncharged (27.0 percent) and Pennsylvania the lowest (3.7 percent). Montana, with a combined experience-rating plan of payroll-variation and benefit-ratio, reported a large proportion of benefits not charged (36.0 percent).

Summary

The more familiar aspects of experience-rating operations have been shown to have a wide range of results among the States. Comparsions that have been made were intended to highlight some of the more significant differences which may provide a basis for further analysis or inquiry regarding their program impact or financing implications, both short-range and long-range.

[2] For a summary of the noncharging provisions of State laws, see *Comparison of State Unemployment Insurance Laws as of January 1, 1964* (p. 32, table 11), BES No. U-141, Bureau of Employment Security, U.S. Department of Labor.

TABLE 1. AVERAGE EMPLOYER CONTRIBUTION RATE,[1] BY TYPE OF EXPERIENCE-RATING PLAN, 1946-64

[Rates expressed as percent of taxable wages]

Year	Rate all States	All experience-rating States		Reserve ratio plan		Benefit-wage ratio plan		Benefit ratio plan		Payroll variation plan		Other plan [2]	
		Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
1946	1.41	45	1.37	28	1.45	8	.97	5	1.34	1	1.81	3	1.98
1947	1.41	50	1.40	28	1.41	8	.98	6	1.44	4	1.97	4	2.00
1948	1.24	51	1.24	28	1.28	8	1.00	6	1.52	5	1.73	4	1.24
1949	1.31	51	1.31	29	1.19	7	1.07	6	1.39	5	2.09	4	1.76
1950	1.49	51	1.49	30	1.38	7	1.03	6	1.12	5	2.30	3	2.50
1951	1.58	51	1.58	30	1.41	7	1.34	6	1.30	5	1.92	3	2.57
1952	1.45	51	1.45	31	1.39	6	.91	6	1.25	5	1.84	3	2.28
1953	1.30	51	1.30	31	1.25	6	.77	6	1.21	5	1.82	3	1.94
1954	1.12	51	1.12	31	1.14	6	.56	6	1.00	5	1.93	3	1.51
1955	1.18	50	1.18	32	1.23	6	.66	5	.79	4	1.89	3	1.45
1956	1.32	50	1.32	32	1.39	6	.91	5	.91	4	2.01	3	1.45
1957	1.31	50	1.31	32	1.35	6	.84	5	.84	4	2.04	3	1.69
1958	1.32	50	1.32	32	1.42	6	.69	5	.88	4	2.28	3	1.53
1959	1.71	50	1.71	32	1.80	6	1.01	5	1.58	4	2.38	3	1.96
1960	1.88	51	1.88	32	1.76	6	1.49	6	2.34	4	2.36	3	2.23
1961	3/2.06	51	2.06	32	1.87	6	1.55	6	2.59	4	2.36	3	2.78
1962	3/2.36	51	2.36	32	2.22	6	1.69	6	2.74	4	2.35	3	3.23
1963	3/2.31	51	2.31	32	2.22	6	1.61	6	2.61	4	2.51	3	3.06
1964	3/2.21	51	2.21	31	2.23	6	1.48	7	2.50	4	2.38	3	2.59

1/ Excludes war-risk contributions which were collected 1943-46.
2/ In 1964 includes Connecticut (compensable-separations), Montana (combined payroll-variation and benefit-ratio), and New York (combined payroll-variation and reserve-ratio).
3/ Includes Puerto Rico which has no experience-rating plan.

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TABLE 2. EMPLOYER CONTRIBUTION RATES, BY TYPE OF EXPERIENCE-RATING PLAN AND STATE, 1962-64

Type of plan and State 1/	Tax base ($3,000 except as shown, with effective dates)	Range in 1964 employer tax rates (percent of taxable wages)		Average employer tax rates: 2/ contributions as a percent of--					
				Taxable wages			Total wages		
		Maximum	Minimum	1964	1963	1962	1964	1963	1962
TOTAL, 51 States 3/				2.21	2.31	2.36	1.26	1.34	1.39
Reserve-ratio plan:									
Arizona 4/		2.7	0.2	1.45	1.50	1.42	.83	.88	.84
Arkansas 4/		3.3	.3	1.49	1.46	1.43	1.04	1.04	1.03
California	$3,800 (1/62)	3.5	2.2	3.02	3.05	3.08	1.83	1.90	1.97
Colorado 4/		2.7	.0	1.59	1.33	1.34	.89	.76	.79
District of Columbia 4/		2.7	.1	.89	.88	.98	.48	.49	.62
Georgia		4.2	2.5	1.30	1.37	1.40	.82	.89	.93
Hawaii 4/	3,600 (1/62)	3.0	1.0	2.25	1.70	1.25	1.51	1.21	.89
Idaho	3,600 (1/63)	4.5	.9	2.17	2.15	2.45	1.48	1.51	1.60
Indiana 4/		2.7	.1	1.22	1.25	1.34	.65	.69	.75
Iowa 4/		2.7	.0	.77	.80	.78	.44	.46	.47
Kansas 4/		2.7	.0	1.43	1.25	1.24	.82	.74	.75
Kentucky 4/		4.0	.6	1.92	2.04	2.16	1.14	1.25	1.36
Louisiana		2.7	.9	1.94	1.97	1.83	1.13	1.17	1.13
Maine 4/		2.7	1.0	1.99	2.12	1.98	1.29	1.41	1.34
Massachusetts	3,600 (1/62)	3.9	1.1	2.70	2.49	2.61	1.68	1.61	1.72
Michigan 4/	3,600 (4/63)	4.6	.0	2.63	2.96	2.98	1.44	1.66	1.52
Missouri 4/		4.5	.0	1.42	1.47	1.51	.77	.82	.87
Nebraska 4/		2.7	.1	1.26	1.28	1.25	.74	.78	.77
Nevada	3,600 (1/54)	2.7	(3/)	2.70	2.70	2.37	1.71	1.77	1.55
New Hampshire		4.0	.3	1.65	1.61	1.61	1.04	1.05	1.07
New Jersey 4/		3.9	.7	2.36	2.43	2.53	1.21	1.29	1.37
New Mexico		3.0	.1	1.31	1.32	1.31	.78	.81	.81
North Carolina 4/		3.7	.4	1.52	1.61	1.47	1.02	1.12	1.04
North Dakota 4/		5/ 4.2	1.1	2.42	2.48	2.44	1.51	1.55	1.58
Ohio 4/		4.7	.6	2.86	2.09	2.12	1.45	1.10	1.14
Rhode Island	3,600 (1/56)	2.7	(3/)	2.70	2.70	2.70	1.82	1.87	1.91
South Carolina 4/		4.1	.6	1.38	1.42	1.09	.94	1.00	.78
South Dakota 4/		3.6	.0	1.00	1.13	1.31	.62	.71	.85
Tennessee	3,300 (1/63)	4.0	.75	1.77	1.75	1.75	1.17	1.18	1.15
West Virginia 4/	3,600 (1/62)	2.7	.0	1.15	2.70	2.70	.72	1.74	1.77
Wisconsin 4/		4.0	.0	1.54	1.55	1.40	.82	.84	.78
Benefit-wage-ratio plan:									
Alabama		2.7	.5	1.60	1.99	1.89	.98	1.26	1.22
Delaware	3,600 (1/55)	4.0	1.1	2.19	2.36	2.46	1.22	1.35	1.44
Illinois		4.0	.1	1.93	2.05	2.20	.98	1.07	1.18
Oklahoma		2.7	.4	1.50	1.86	1.86	.87	1.11	1.14
Texas		2.7	.1	.93	.88	.92	.54	.53	.56
Virginia		2.7	.1	.91	1.24	1.31	.56	.79	.85
Benefit-ratio plan:									
Florida		3.5	.1	1.33	1.40	1.84	.81	.88	1.19
Maryland		4.2	1.0	2.85	3.15	3.21	1.63	1.85	1.92
Minnesota 4/		3.0	.6	1.35	1.40	1.52	.72	.78	.86
Oregon	3,800 (1/60)	2.7	1.8	2.31	2.70	2.70	1.54	1.86	1.88
Pennsylvania 4/	3,600 (1/64)	4.0	1.0	3.06	3.19	3.26	1.89	1.79	1.88
Vermont	3,600 (1/64)	3.5	.5	1.88	1.74	1.61	1.33	1.13	1.05
Wyoming 4/		3.2	(3/)	3.12	2.88	1.65	1.92	1.78	1.05
Payroll-variation plan:									
Alaska	7,200 (1/60)	4.0	1.5	2.94	2.87	2.76	2.39	2.38	2.31
Mississippi		3.2	1.1	2.29	2.34	2.02	1.59	1.65	1.46
Utah	4,200 (1/64)	2.7	1.0	1.38	1.96	1.43	.96	1.13	.85
Washington		2.7	(3/)	2.70	2.70	2.70	1.44	1.48	1.53
Compensable-separation plan:									
Connecticut		2.7	1.5	2.10	2.09	2.09	1.09	1.12	1.16
Payroll-variation and reserve-ratio:									
New York 4/		3.8	1.5	2.69	3.24	3.44	1.39	1.73	1.87
Payroll-variation and benefit-ratio:									
Montana 4/		2.7	.5	1.52	1.53	1.59	.95	.97	1.03

1/ States classified by type of plan in effect at end of 1964. Since 1959, only one State has made a change in its experience-rating system--Oregon, from reserve-ratio plan to benefit-ratio plan, effective January 1, 1964.

2/ Computed on a calendar year basis. Includes effect of voluntary contributions collected from employers during the year; see footnote 4.

3/ Reduced rates for employers (reduction of the standard rate through experience rating) were not assigned in Nevada, Rhode Island, Wyoming, and Washington.

4/ State law provided for voluntary contributions during the 1964 rate year.

5/ In North Dakota, the rate of contributions for employment covered by an election is 7.0 percent, unless the employer qualifies for a rate of less than the standard rate.

TABLE 3. PERCENTAGE DISTRIBUTION OF TAXABLE WAGES OF RATED ACCOUNTS, BY CONTRIBUTION RATE AND TYPE OF EXPERIENCE-RATING PLAN, RATE YEAR BEGINNING IN 1964

Type of plan and State 1/	Amount of taxable wages of rated accounts (in thousands) 2/	Percentage distribution of taxable wages by employer contribution rate											
		Total	0.0	0.1	0.2-0.5	0.6-0.9	1.0-1.8	1.9-2.6	2.7	2.71-3.1	3.2-3.5	3.6-3.9	4.0 and
TOTAL, 47 States 3/	$117607254	1000	13	28	71	99	229	166	73	94	101	50	76
Reserve-ratio plan 3/	64518580	1000	24	20	62	102	227	144	81	122	114	35	70
Arizona 4/ 5/	789901	1000	--	--	155	190	420	134	101	--	--	--	--
Arkansas 5/	729102	1000	--	--	273	235	196	86	7	70	133	--	--
California	13488295	1000	--	--	--	--	--	168	90	385	356	--	--
Colorado 5/	1058425	1000	18	--	15	162	623	--	182	--	--	--	--
Dist. of Col. 5/	662150	1000	--	506	153	--	181	42	118	--	--	--	--
Georgia 4/	2169248	1000	--	--	242	152	412	95	66	17	3	3	11
Hawaii 5/	387464	1000	--	--	--	--	251	513	--	236	--	--	--
Idaho	325287	1000	--	--	--	87	387	259	128	23	23	46	46
Indiana 5/	3283498	1000	--	174	240	--	380	57	149	--	--	--	--
Iowa 5/	1227813	1000	256	99	357	106	26	20	137	--	--	--	--
Kansas 5/	1004965	1000	27	--	99	227	348	133	165	--	--	--	--
Kentucky 5/	1222559	1000	--	--	--	399	173	--	316	--	--	--	111
Louisiana	1465081	1000	--	--	--	268	309	92	332	--	--	--	--
Maine 5/	511958	1000	--	--	--	--	655	171	174	--	--	--	--
Massachusetts	4906620	1000	--	--	--	--	110	359	86	86	228	131	--
Michigan 5/	5815234	1000	(6/)	(6/)	(6/)	186	194	73	25	79	143	24	276
Missouri 5/	2626057	1000	179	7	27	122	442	103	37	27	16	33	8
Nebraska 3/	667269	1000	--	68	348	--	320	74	189	--	--	--	--
Nevada 5/	--	--	--	--	--	--	--	--	--	--	--	--	--
New Hampshire	426285	1000	--	--	120	312	181	167	118	31	10	2	59
New Jersey 5/	4575607	1000	--	--	--	121	271	226	--	169	--	214	--
New Mexico	394570	1000	--	221	143	293	174	40	9	119	--	--	--
North Carolina 5/	2588342	1000	--	--	229	168	304	146	99	12	8	34	--
North Dakota 5/	185679	1000	--	--	--	--	562	190	20	35	23	30	141
Ohio 5/	7139405	1000	--	--	--	127	300	121	--	48	42	33	329
Rhode Island 3/	--	--	--	--	--	--	--	--	--	--	--	--	--
South Carolina 4/ 5/	1218379	1000	--	--	--	367	404	90	108	16	3	1	9
South Dakota 5/	205158	1000	421	--	255	--	172	42	--	12	--	99	--
Tennessee	1945294	1000	--	--	--	242	442	94	118	23	22	10	49
West Virginia 5/	950746	1000	320	140	120	55	59	102	204	--	--	--	--
Wisconsin 5/	2554189	1000	132	--	206	--	286	173	--	100	24	2	77
Benefit-wage-ratio plan	17988086	1000	--	95	197	167	224	106	118	16	12	8	58
Alabama 4/	1477003	1000	--	--	294	152	276	78	200	--	--	--	--
Delaware	396420	1000	--	--	--	--	655	92	10	30	37	11	165
Illinois	7849102	1000	--	62	93	127	240	157	118	36	25	17	124
Oklahoma	1071938	1000	--	--	85	288	307	142	178	--	--	--	--
Texas 4/	5138626	1000	--	177	316	180	166	53	109	--	--	--	--
Virginia	2054999	1000	--	151	328	268	141	43	69	--	--	--	--
Benefit-ratio plan 3/	16028342	1000	--	18	44	125	166	224	32	93	60	28	209
Florida 4/	2515798	1000	--	113	271	224	186	76	5	20	104	--	--
Maryland	2040801	1000	--	--	--	--	353	313	--	73	31	29	201
Minnesota 5/	1950924	1000	--	--	--	731	36	10	--	223	--	--	--
Oregon	1381939	1000	--	--	--	--	199	597	203	--	--	--	--
Pennsylvania 5/	7929077	1000	--	--	--	--	133	235	28	105	78	50	371
Vermont	209803	1000	--	--	126	68	362	255	--	89	100	--	--
Wyoming 3/ 5/	--	--	--	--	--	--	--	--	--	--	--	--	--
Payroll-variation plan 3/	1474055	1000	--	--	--	--	467	309	(6/)	125	56	28	14
Alaska	208551	1000	--	--	--	--	200	200	--	100	200	199	100
Mississippi	732979	1000	--	--	--	--	228	494	--	223	55	--	--
Utah	532525	1000	--	--	--	--	901	98	1	--	--	--	--
Washington 3/	--	--	--	--	--	--	--	--	--	--	--	--	--
Compensable-separation plan	2307228	1000	--	--	--	--	246	680	75	--	--	--	--
Connecticut	2307228	1000	--	--	--	--	246	680	75	--	--	--	--
Payroll-variation and reserve-ratio	15001164	1000	--	--	--	--	285	184	32	81	220	197	--
New York 5/	15001164	1000	--	--	--	--	285	184	32	81	220	197	--
Payroll-variation and benefit-ratio	289797	1000	--	--	194	249	311	54	192	--	--	--	--
Montana 5/	289797	1000	--	--	194	249	311	54	192	--	--	--	--

1/ Classified by type of plan in effect at end of 1964.
2/ All rated accounts exclude accounts newly subject after State cut-off dates for preparation of reports.
3/ Totals exclude the four States which did not assign employers any reduced rates for 1964 rate year: Nevada and Rhode Island under reserve-ratio plan, Wyoming under benefit-ratio plan, and Washington under payroll-variation plan.
4/ For Alabama, Arizona, Florida, Georgia, South Carolina, and Texas, data exclude newly qualified employers assigned reduced rates after computation date.
5/ Includes effects of voluntary contributions made toward credit for 1964 rates.
6/ Less than 0.05 percent.

TABLE 4. NONCHARGED BENEFITS, BY EXPERIENCE-RATING PLAN AND STATE, DURING 12 MONTHS PRECEDING COMPUTATION DATE FOR 1964 RATE YEAR

Type of plan and State 1/	Date 1964 rate-year began	Computation date	Benefits paid in 12 months preceding computation date 2/ (amount in thousands)		
			Total amount	Noncharged	
				Amount	Percent of total
Reserve-ratio plan:					
Arizona	Jan. 1	July 1, 1963	$12,467	$2,831	22.7
Arkansas	do	June 30, 1963	7,975	1,501	18.8
California	do	do	368,423	52,298	14.2
Colorado	do	July 1, 1963	23,679	732	3.1
District of Columbia	do	June 30, 1963	9,295	138	1.5
Georgia	do	Dec. 31, 1963	22,591	3,459	15.3
Hawaii	do	do	11,131	4,135	37.1
Idaho	do	June 30, 1963	9,000	1,861	20.7
Indiana	do	do	42,909	0	
Iowa	do	Oct. 1, 1963	11,624	32	.3
Kansas	do	June 30, 1963	16,228	2,173	13.4
Kentucky	do	Dec. 31, 1963	24,845	2,075	8.4
Louisiana	do	June 30, 1963	32,777	512	1.6
Maine	July 1	Dec. 31, 1963	10,714	1,142	10.7
Massachusetts	Jan. 1	Sept. 30, 1963	134,783	26,774	19.9
Michigan	do	June 30, 1963	99,360	685	.7
Missouri	do	do	42,652	5,161	12.1
Nebraska	do	Dec. 31, 1963	9,242	2,204	23.8
Nevada	do	June 30, 1963	6,580	1,271	19.3
New Hampshire	July 1	Jan. 1, 1963	8,107	646	8.0
New Jersey	do	Dec. 31, 1963	161,792	17	(3/)
New Mexico	Jan. 1	June 30, 1963	8,776	0	
North Carolina	do	Aug. 1, 1963	35,393	5,727	16.2
North Dakota	do	Dec. 31, 1963	4,469	424	9.5
Ohio	do	July 1, 1963	177,560	1,642	.9
Rhode Island	do	Sept. 30, 1963	17,709	0	
South Carolina	do	July 1, 1963	14,636	6,208	42.4
South Dakota	do	Dec. 31, 1963	3,692	513	13.9
Tennessee	July 1	do	31,187	4,872	15.6
West Virginia	Jan. 1	June 30, 1963	19,952	2,495	12.5
Wisconsin	do	do	47,696	13,008	27.3
Benefit-wage-ratio plan: 2/					
Alabama	Apr. 1	Dec. 31, 1963	151,527	25,671	16.9
Delaware	Jan. 1	Oct. 1, 1963	46,546	4,366	9.4
Illinois	do	June 30, 1963	648,200	0	
Oklahoma	do	Dec. 31, 1963	83,992	17,510	20.8
Texas	do	Oct. 1, 1963	418,524	111,125	26.6
Virginia	do	June 30, 1963	86,679	7,496	8.6
Benefit-ratio plan					
Florida	do	Dec. 31, 1963	29,542	3,602	12.2
Maryland	July 1	Mar. 31, 1963	36,685	9,905	27.0
Minnesota	Jan. 1	June 30, 1963	38,086	9,309	24.4
Oregon	do	do	25,282	1,754	6.9
Pennsylvania	do	do	258,416	9,540	3.7
Vermont	July 1	Dec. 31, 1963	4,661	967	20.7
Wyoming	Jan. 1	June 30, 1963	7,326	1,715	23.4
Payroll-variation plan					
Alaska 4/	do	do			
Mississippi 4/	do	do			
Utah 4/	do	Jan. 1, 1963			
Washington 4/	June 30	do			
Compensable-separation plan					
Connecticut 5/	Jan. 1	June 30, 1963			
Payroll-variation and reserve-ratio					
New York	do	Dec. 31, 1963	460,224	5,437	
Payroll-variation and benefit-ratio					
Montana	do	June 30, 1963	6,846	2,464	

1/ Classified by type of plan in effect at end of 1964.
2/ For experience-rating purposes; benefit wages (all wages used as a basis for drawing benefits) used in the six benefit-wage-ratio States, benefit payments used in all other plans.
3/ Less than 0.05 percent.
4/ Charging of benefits not applicable.
5/ Data not available because compensable separation formula does not include as charges the total amount of benefits paid.

Issues Reflected in Recent Appeals Decisions*

Misconduct: Disregard of the Employer's Instructions

"You must wear your safety helmet while you work for us, Mr. Jones." The employer was bound under a contract with a Federal agency to require the wearing of safety helmets by workers on the job. Plumber Jones, his glasses clouded by perspiration, muttered, "It's all foolishness," and took off the helmet. He was fired for disobeying orders.

"Why didn't you fire the boiler, Mr. Smith?" The plating tanks had cooled, causing the idleness of 18 men all Monday morning at the employer's expense. Janitor Smith had failed to fire the boiler on Sunday again (the same thing had happened 3 weeks previously). "My key was stolen Friday night," was Mr. Smith's defense. He had called the police, but had not notified the employer of his inability to get into the plant on Sunday to fire the boiler. Mr. Smith was fired for disobeying orders.

"No Loitering," read the posted sign. "Allow no hanging around," the employer had told the service station's night attendant. However, attendant Brown liked to have company during the dull early morning hours and someone to run errands, like getting him a cup of coffee occasionally. The 16-year-old boy was good company, but Mr. Brown was too trusting. The boy broke into the locked drawer of the desk in the rear office and took $50 of company funds. "The boy appeared to be harmless, and the employer had allowed an old handy man to hang around even though the man wasn't working," protested Mr. Brown. Nonetheless, he was fired for disobeying orders.

These were clear and easy cases—simple, straight firing for admitted disregard of employer's instructions. In each case the employer gave an order. The order was reasonable. The order could have been obeyed or notice could have been given of inability to obey it. The employee in each case understood the order but did not obey it, or attempt obedience, for insufficient reasons. In each case the claimant was denied unemployment insurance benefits by a determination that he had been discharged for misconduct connected with his work. Cases of discharge for alleged disregard of instructions are not always so easy to resolve for unemployment insurance purposes.

Each State unemployment insurance law provides for a denial of benefits to claimants who are determined to have been discharged for misconduct (or, under some statutes, for "just cause") connected with their work. This provision must be considered by unemployment insurance staff when a claimant is alleged to have been dismissed from work for refusal to perform a task assigned to him or expected of him or to work in the manner required. Whether his dismissal was a discharge for misconduct (or "just cause") connected with his work often depends on whether the requirement was reasonable.

One test for the reasonableness of a work requirement is the seriousness of the consequences if the requirement is not met. This is illustrated by a recent Michigan decision (*Alex Richmond* v. *Midland Adhesive and Chemical Corporation et al.*, Michigan Circuit Court, Wayne County, Feb. 2, 1965, CCH-Mich. par. 9050). It was the claimant's duty to mix various batches of chemicals. The culminating incident in the claimant's discharge from employment was his failure to conform to a rule that required individuals preparing chemical batches to fill out a report marking in detail the amount, weight, and proportion required of each ingredient placed in the batch. The purpose of the report was to disclose and make possible the remedy of defects. If the employee failed to keep the report or filled it out incorrectly, a substantial period of time was required of the company chemist to run tests to determine what was in the batch so corrections could be made. The

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circuit court affirmed the decision of the Michigan Appeal Board that the claimant was discharged for misconduct connected with his work. The Court said:

> Certainly, the requirement of the employer that such written reports be kept was a reasonable requirement calculated to protect the legitimate interests of the employer, and a rule to insure compliance with such requirement is a reasonable rule if fairly administered. The record clearly shows that the claimant here had notice of the rule and while disputing its importance knew that it was a rule for which the company required compliance with pain of penalty for failure to do so . . .

Where a claimant tries to excuse his failure to comply with a reasonable instruction explicitly given, the validity of his excuse must be examined. A Pennsylvania decision (*John I. France* v. *Unemployment Compensation Board of Review*, Pennsylvania Superior Court, June 17, 1965, CCH-Pa., par. 9256) is illustrative. A truckdriver tried to blame his disregard of instructions about unloading a truckload of pipes on the time of night and weather conditions. Instead of unloading the pipes, as instructed, next to two drilling rigs and a crane at the site where the employer had been working, the claimant had unloaded the pipes on the company's parking lot. The employer was put to great expense because the entire work force was unable to continue its job until the pipes had been picked up and moved to the correct location.

The Court pointed out that it was easy to see the equipment, which was more than 50 feet high, so that his action was clearly intentional disregard of his duty in taking the easier way of unloading at the parking lot. He had been a truckdriver for more than 6 years and knew or should have known the importance of delivering heavy material as close as possible to the jobsite because of the increased cost of rehandling. The decision of the Board of Review that he was discharged for misconduct in connection with his work was affirmed.

A decision of the Ohio Court of Appeals, Franklin County (*Lloyd Coey* v. *Burwell Nurseries et al.*, Apr. 20, 1965, CCH-Ohio par. 8462), points out that in order for a claimant to be disqualified for refusal to follow an instruction, the instruction must have been clearly given to him. The case involved a nursery worker who had bought a farm and planned to spend his Saturdays working on it. It was the slow season, and the nursery had been working only 5 days a week.

The Court's decision states:

> Appellant was on vacation from July 27 to August 20, 1962. There was no indication prior to his vacation that September or October would have any different schedule than in previous years. There was no Saturday work the weeks of August 24, August 30, September 6 and September 13. There was Saturday work the week of September 21, and claimant did not appear. However, there is no evidence of a reprimand or a warning of any type, and there is positive evidence that nothing was said to appellant about his absence on that particular day. The employer representatives were aware that claimant had purchased a farm that summer and wished to use Saturdays working on his own farm.
>
> There was no Saturday work the following week, September 28. The next Monday, or perhaps later, a notice was posted on the bulletin board: "All employees . . . We are working 6 days per week. Anyone not reporting for work on Saturday need not report on the following Monday."

On the following Friday the claimant was told, "Lloyd, we work tomorrow." The claimant replied, "So do I." The claimant clearly meant that he was going to work on his farm, and the employer did not deny that he understood the claimant to mean just exactly that. But nothing further was said at the time. The claimant did not appear at work that Saturday or the following Monday; he reported on Tuesday and was immediately discharged. He testified, and in the opinion of the Court of Appeals his conduct confirmed, that he understood the notice as imposing a penalty, that is, the loss of another day's work for failure to report on Saturday. The Court of Appeals reversed the decision of the Court of Common Pleas and held that the claimant had been discharged without just cause. The Court explained:

> The worst that can possibly be said here is that there was, as the trial court found, a misunderstanding. There is nothing to support a finding of a deliberate, wilful violation of a specific order or a wilful ignoring of his employer's needs. On the record, there is little to support a finding that any specific order to work was given in the sense of communicating to the employee that the work of *this* employee was of particular importance to the employer, or in the context of a clear warning of discharge for failure to report. There is no general evidence that claimant was assigned or was to be assigned to any particular job, nor that on that Saturday there was even any job that had a specific deadline or was otherwise of considerable importance to the employer.

Not only must the employee have been given a direction to perform a job, but he must have been given the information necessary to properly complete the assigned task to justify a disqualification

for refusal to carry out the direction. The Louisiana Court of Appeal pointed this out in a decision (*Octave Gardere* v. *Richard E. Brown, Jr., Administrator, Division of Employment Security*, Dec. 21, 1964, MC–255.1–85, BSSUI) involving the discharge of a handy man for alleged insubordination, insolence, and impertinence.

The claimant, an employee of Crawford Corporation, was assigned to the home of a Mr. Crawford, his immediate superior. The maid in the home had instructed him to attach license plates to certain automobiles assigned or belonging to the household. The next day, when asked by the maid why the plates had not been installed, he explained that he would have to discuss the matter first with Mr. or Mrs. Crawford because he did not know which plate was to be affixed to which automobile. Mr. Crawford became enraged at the message or explanation he received from the maid, cursed the claimant, and would not give him an opportunity to explain. The claimant asked him not to curse him but to "fire" him, whereupon Mr. Crawford discharged him. The Court said:

> . . . we discern a situation wherein an employee (for what appears to us to be reasonable cause) refrained from carrying out instructions because the employer neglected to furnish him with the information necessary to properly complete the assigned task. Claimant's failure to carry out his instructions until receipt of information regarding the identity of the vehicles to which the respective plates were to be attached, we believe to be a reasonable position. His mere refusal or failure to perform the assigned duty cannot, under such circumstances, constitute a wilful, deliberate or intentional failure to obey an order.

The Court also found that the claimant was not subject to disqualification for the alleged insolence and impertinence and that the claimant possessed an "inherent right to resent verbal abuse on the part of his employer as well as the right to react thereto as a reasonably prudent man without incurring the loss of benefits under the act in the event of his discharge for taking such umbrage."

Usually an employee takes it for granted that he must attempt to perform any tasks assigned to him, to the best of his ability and using his best judgment. He may be dismissed for his *inability* to perform those tasks assigned to him in a manner satisfactory to the employer, but this is no basis for denial of unemployment benefits.

The problem for unemployment insurance officials arises when the employee is dismissed from employment for an alleged *refusal* to perform the task assigned to him or to do it in the manner required. Then, in order to decide whether his action amounted to misconduct connected with his work, the following must be determined:

Did the claimant in fact refuse to do the work or to work as required, or was he in fact unable to comply?

Was the claimant's action or manner of performance actually a violation of a specific instruction or direction?

Was the task or the requirement reasonable, clearly defined, within the scope of the claimant's employment, and in accordance with law and ethical standards and custom in the industry?

What was the basis for the claimant's refusal to comply? Was it reasonable under the circumstances, or was it misconduct?

Unemployment Insurance Decisions*

Straight Arrow

Connecticut.—On Saturday, August 21, a 20-year-old young lady received a telegram from her boy friend in the military service telling her that he would leave for the Far East on the 26th. She attempted to obtain leave to fly to Oklahoma for a last goodby before his departure. She could not contact her supervisor at his home, but left word with his wife that if she did not hear from him she would leave for Oklahoma the next day, and would be gone from a few days to a week. She did not receive word, and so she left. The boy friend's departure was postponed until the following week. On August 28, the claimant wired her mother for funds to pay her hotel bill. The funds did not arrive until the 30th. She could not get a flight home until Tuesday, the 31st. Upon her arrival home, she found that she had been discharged because she had not reported for work on the 30th.

After pointing out that the claimant had been "keeping company" with the young man for a year and a half, that they had "reached an understanding" which, if maintained, would lead to marriage, and that her friend was in military service and scheduled for assignment to a danger zone, the Commissioner said: "Without bowing to gallantry or romanticism in any degree, it seems reason-

*Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.

able to hold that the claimant, a blossoming young woman who had been touched by Cupid, had no more power to restrain herself from going to Oklahoma than King Canute had to stop the tide from rolling onto the shores of his kingdom. Such a compulsive reaction to so great a crisis in her young life cannot, in any wise, be regarded as wilful misconduct in the course of employment." (Commissioner's Decision Case No. 923–A–65, Nov. 1, 1965.)

Language Barrier

Delaware.—According to his employer, the claimant spoke to the other Puerto Ricans in Spanish and the employer could not understand what was being said by and among the employees. The claimant would tell the employer one thing and his fellow employees something else. The claimant was "bossing everyone around and certainly had no authority to do so." The claimant testified that he was not bossing his fellow employees, but was only interpreting for them as they could not understand English. When given too many jobs, he had to delegate some to others but did this with the foreman's permission. The referee pointed out that the evidence given by the employer was hearsay as the person who appeared at the hearing had no personal knowledge of the incidents involved. The employer elected not to produce direct evidence, although given an opportunity to do so. The referee queried, "When does interpreting end, and where does bossing begin?" He summed up the situation: "The employer contended that the claimant was bossing fellow employees. The claimant, on the other hand, said that he was interpreting. It is possible that both may have been right, but we have sworn testimony proving interpreting and hearsay evidence concerning bossing." Based on the claimant's testimony, the referee found that he was discharged without just cause connected with the work. (Appeal Docket No. 15067, Aug. 11, 1965.)

The Long Shadow—or 30 Years Later

Delaware.—In 1935, the claimant had been brought by happenstance into a criminal case in Pennsylvania. Because one of the defendants inadvertently and entirely by accident had obtained one of the claimant's old overcoats, the claimant was arrested. At the trial of the case this was readily proved and a verdict of not guilty was promptly entered by the trial judge in favor of the claimant. In the ensuing years, the claimant, knowing himself to have been wholly innocent, and having been declared so by the court, thought that his connection with the case was merely that of a witness. His liberty had never been restrained and he had not been incarcerated. He simply testified and left the courtroom.

Thirty years later, at age 72, the claimant was employed for 3 months as a guard by a private detective business. He was discharged on March 5, 1965, allegedly because on January 30, 1965, the company had received a letter from the Delaware Board of Examiners for Private Detectives, instructing it not to employ the claimant in the State of Delaware. The Employment Security Commission pointed out that the claimant's employment as a guard was subject to a Delaware statute providing that such businesses may not employ a person who "has been convicted" of certain crimes, nor may such an employer employ a person until he has executed and furnished to the employer an "employee's statement" under oath, setting forth that he has not been convicted of certain offenses.

Assuming, said the Commissioner, that the claimant had been required by any "rule" of the Superintendent of State Police to submit an employee's statement requiring further information to help the superintendent ascertain the employee's good character, competency, and integrity, the letter of January 30, 1965, was not the immediate cause of the claimant's discharge since the employer continued to keep him in his employ until March 5, 1965. The claimant was held not discharged for just cause in connection with his work. (Appeal Docket No. 14899–A, Aug. 6, 1965.)

Mosquito Brigade

New York.—The claimant resigned his employment as a structural mechanic with an aircraft maintenance company after 2 weeks on the job because he believed that the travel time from his home to his place of employment was excessive and because he objected to the working conditions, particularly the mosquitoes. The travel time from his home to his place of employment did not exceed 40 minutes each way by automobile. The company furnished a mosquito repellant to its workers and had a blowing machine which it used to drive away mosquitoes when they appeared in excessive numbers. The referee found that the travel time was reasonable, and rejected the claimant's contention that the mosquitoes adversely affected his health. It was significant, said the referee, that the claimant did not resign on the advice of a doctor. The referee concluded that the claimant resigned for personal reasons of a noncompelling nature and held that he voluntarily left his employment without good cause. (No. 64–443–65, affirmed by Appeal Board Decision No. 127,138, Nov. 10, 1965.)

Not an Informer

New York.—The claimant had worked for the employer as a shoe salesman for 22 years, most recently as an assistant manager. When the employer discovered that the manager of the shoestore had been changing prices on sales tickets and tearing up sales tickets in order to defraud the employer, and that the claimant was aware of some of these actions, the claimant was discharged for failing to report the manager's conduct to the employer. The claimant contacted the employer to find out what reason he should give for the loss of his employment and was advised to indicate a cutdown in sales help. He did so.

The referee concluded that, although the claimant did not in any way profit from the wrongdoing of the manager with whom he worked, he was aware that the manager was taking improper actions against the best interest of the employer and he failed to notify the employer. Also, regardless of what the employer told the claimant, it was his responsibility to report to the insurance office the true reason for his loss of employment. The claimant was

held to have lost his employment due to misconduct in connection with his employment, and to have made a wilful false statement to obtain benefits. (No. 545–784–65, affirmed by Appeal Board Decision No. 126,424, Nov. 4, 1965.)

Crime Wave

Texas.—The employer, a Federal agency, advised that the claimant resigned to move to another area. The claimant testified that she and her husband decided to move from the area because they had a teenage boy and 80 percent of the boys in his class at school had police records. They had become aware that dope peddling was common at school. A young boy with whom their son associated had committed a crime and run away from home. They were extremely apprehensive that their son might become involved with some of the young hoodlums. They decided to rear their children in the community where they had formerly lived. The referee said that, while the claimant's concern for her child was understandable, the law provides for a disqualification if an individual leaves employment without good cause connected with the work. Owing to the circumstances that motivated the claimant to leave the area, however, the referee reduced the disqualification from 12 to 8 weeks. (UCFE 1816–F–65, Oct. 13, 1965.)

Trends in the Economy*

Final Quarter 1965

THE uptrend in the economy continued during the final quarter of 1965, with most key indicators moving sharply higher. Gross national product, industrial production, and retail sales set quarterly records. The auto industry continued its brilliant performance, with both production and sales showing new highs each month of the quarter. In late November, the steel industry passed the bottoming-out point in its recent slide from the record production of the early summer months; and the December tonnage carried the total for the quarter to the second highest fourth quarter figure since 1956. In addition, housing starts, which were sluggish throughout the year, moved up during the quarter; the December level was at the highest annual rate since February 1964.

Employment developments were also favorable, as employment rose to a record volume and unemployment fell to its lowest point in 8 years.

Business Activities

Gross national product rose to a seasonally adjusted annual rate of $694.6 billion during the October-December period. The sharp rise of $13.1 billion from the 1965 third quarter was the highest fourth quarter gain since 1961, when the Nation was beginning to recover from the 1960–61 recession. Nearly all the major components showed over-the-quarter increases, with the sharpest rise occurring in personal consumption expenditures which rose by $7.6 billion. Within the personal consumption component, substantial increases were shown in purchases of nondurable goods (up by $4.3 billion to $194.8 billion) and in service expenditures (rising $2.9 billion to $179.6 billion). Purchases of durable goods edged up by $300 million to a rate of $65.7 billion.

The rate of private domestic investment increased by some $1.3 billion to reach $107.5 billion in the final quarter of 1965; this compares with a gain of $3.4 billion in the previous quarter. Activity in this component continues to be hampered by the sluggishness in residential housebuilding; the rate of expenditures for housebuilding fell by $500 million between the third and fourth quarters; offsetting this reduction, however, were rises totaling $2.3 billion in outlays for nonresidential structures and producers' durable equipment. The rate of additions to inventories declined by $600 million to $7.0 billion.

An increase in defense spending, stemming from stepped-up activity in Viet-Nam, was largely responsible for an over-the-quarter increase in government expenditures. Defense outlays moved up by $2.2 billion during the quarter, the largest

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

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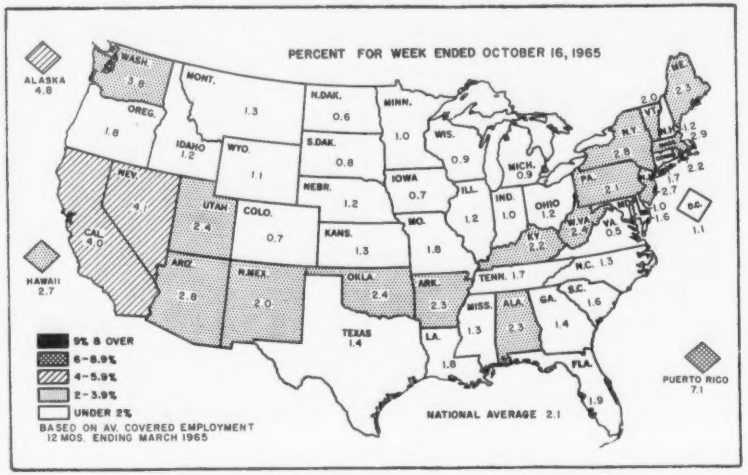
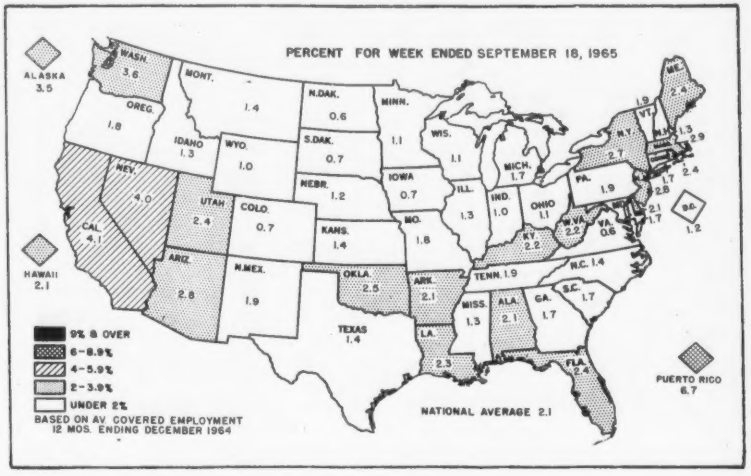
STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

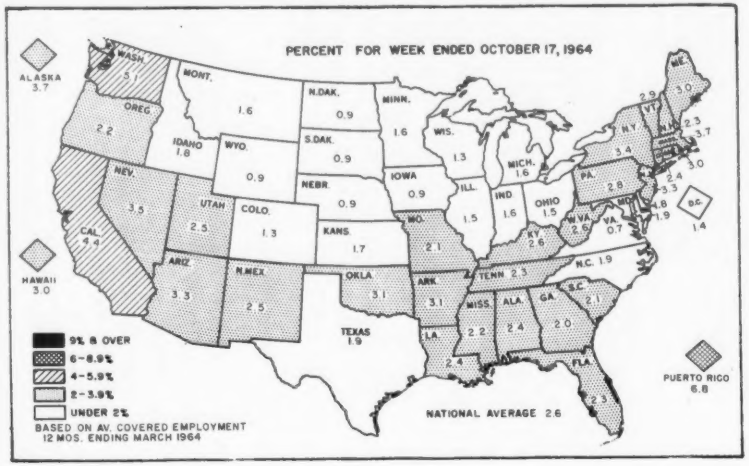
LATEST MONTH



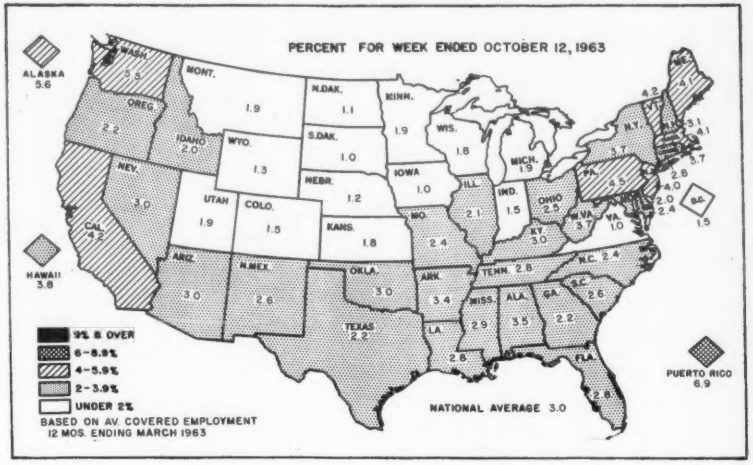
PREVIOUS MONTH



ONE YEAR AGO

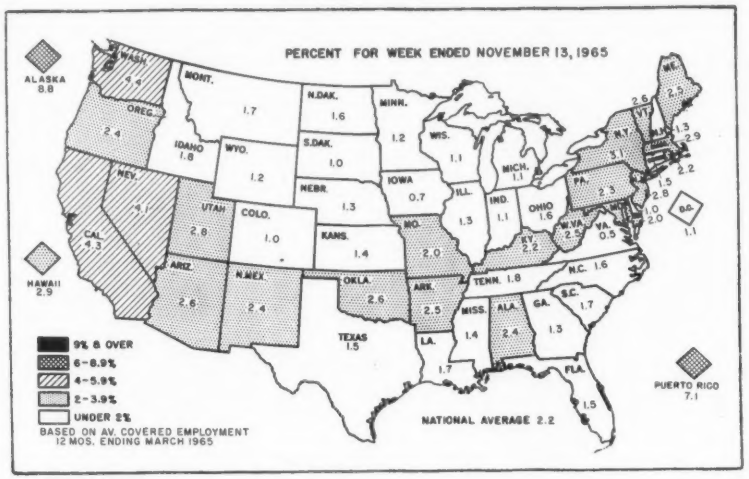


TWO YEARS AGO



STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

LATEST MONTH



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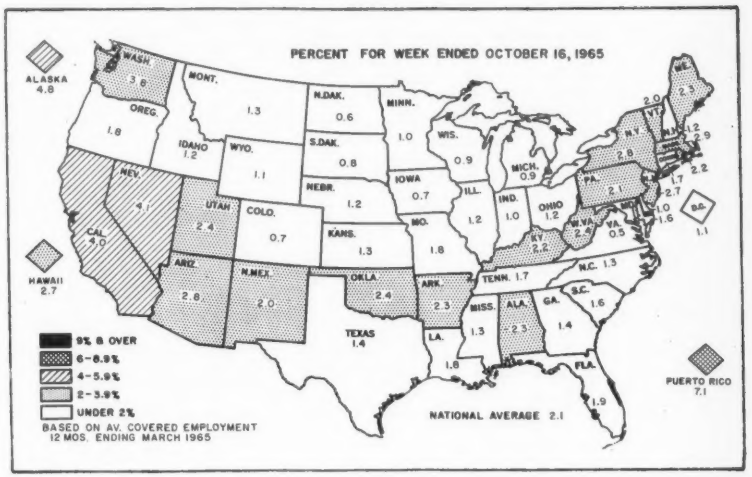
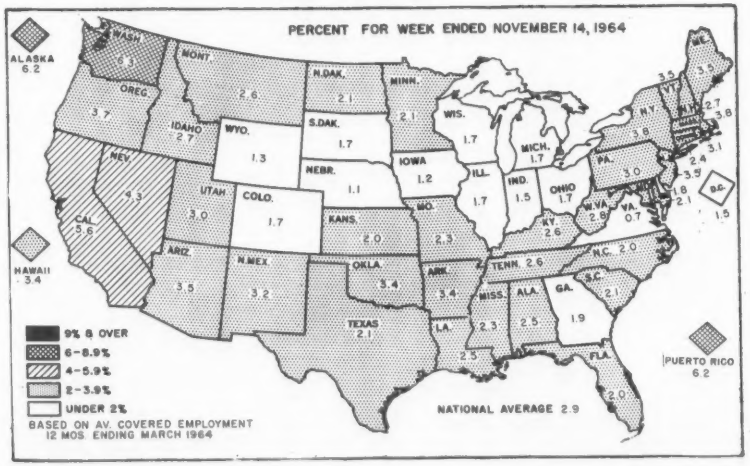
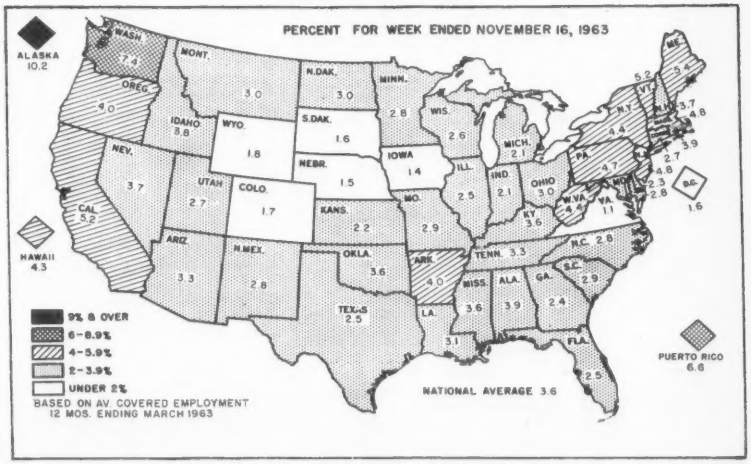


ONE YEAR AGO



TWO YEARS AGO



quarter-to-quarter increase since the Korean conflict. Federal government disbursements for nondefense items increased by $1 billion, while State and local spending also rose by $1 billion.

Compared with the fourth quarter of 1964, GNP was up by $53.5 billion, with gains recorded in all major sectors except net exports. Personal consumption expenditures increased by $34.2 billion, private investments by $9.8 billion, and government purchases by $11 billion (defense outlays rose by $3.2 billion).

The seasonally adjusted *index of industrial production* climbed two full percentage points in December to an alltime high of 148.3 percent of the 1957–59 average. The high level of the output measure during the entire fourth quarter reflected the vigorous production of most sectors of our economy. Despite the drop in steel output during the October and November inventory workdown, the overall index showed sharp gain in both months. During the quarter, the transportation equipment industry highlighted the durable goods area, setting production records in each month. Other industries with noticeable production gains during the quarter were machinery, instruments manufacturing, and furniture. Mining activity averaged 116.7 percent compared with 115.2 percent in the previous quarter, while utilities output at an average of 166.4 percent, was higher by 3.5 points.

Steel output in December recovered from the effects of the inventory workdown that made the November output the lowest in 2 years. Production in December totaled 9.6 million tons compared with 8.8 million tons in November and 9.3 million tons in October. The steel recovery resulted principally from higher demand from automobile producers and the construction industry. Although the fourth quarter production of 27.7 million tons was well below that of both the previous quarter and a year earlier, it was the second highest final quarter tonnage since 1956. Output for all steel production in 1965 is estimated at a record 131 million tons compared with 127 million tons in 1964.

Production and sales of autos in the United States in the fourth quarter capped the most successful year in automobile history. Some 2.6 million units were turned out during the October–December period. This was well above the strike-affected 1964 final quarter and set a new record for the period. For the year as a whole, some 9.3 million units were produced, with each of the three largest producers setting production records.

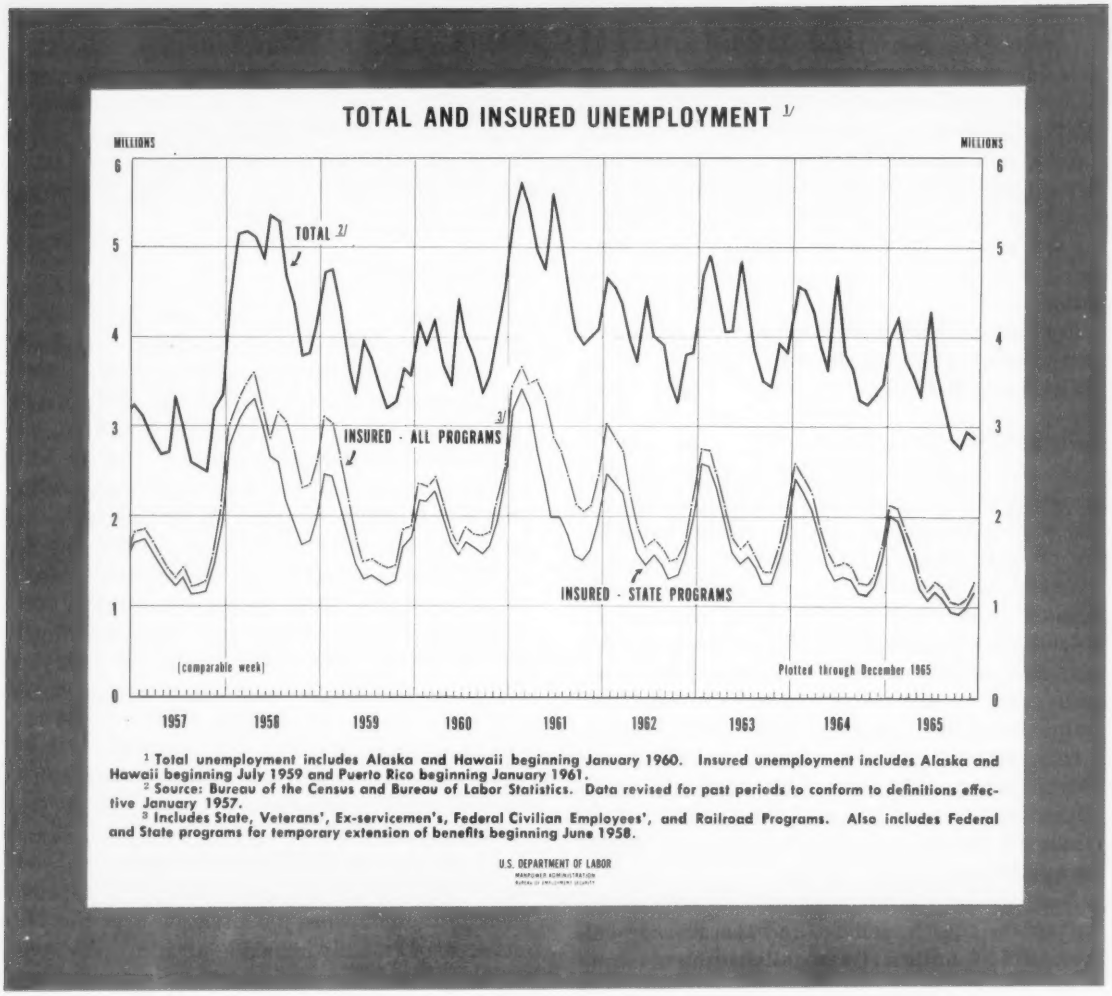
Auto sales totaled 721,500 in December, raising the quarterly sales figure to 2.4 million units. For the year as a whole, 8,750,800 domestically produced cars were sold; this, together with import sales of 550,000, raised the overall total to a record 9.3 million units. In 1964, 7.6 million domestic cars and 500,000 imported cars were sold.

New orders for durable goods set records in 2 of the 3 months of the fourth quarter of 1965. The December volume (seasonally adjusted) reached an alltime high of $22.5 billion, which was $100 million higher than the revised November rate, and surpassed the previous record of $22.425 billion set in October. The flow of orders in the transportation equipment industry declined in both November and December, reflecting reduced government purchases of aerospace materials. The rate of incoming orders in the primary metals area picked up each month of the quarter, with the strongest rises in the last 2 months. Machinery orders, which had moved up in October and November, eased somewhat in December. For the entire quarter, new orders for durable goods averaged some $23.3 billion per month compared with $21.5 billion in the second and third quarters of the year.

Factory shipments of durable goods in December moved up to $21.9 billion (seasonally adjusted) from the $21.6 billion of November, and surpassed the previous record of $21.8 billion set in July of this year. The November-December rise primarily reflected increased shipments of primary metals and machinery.

The *backlog of durable goods orders* at the end of December was estimated at $62.1 billion (seasonally adjusted), up by $600 million from November. This compares with a backlog of $54 billion (seasonally adjusted) at the end of 1964.

Construction spending during the fourth quarter ran at an annual rate of $69.0 billion, up from the third quarter average of $68.3 billion. During both quarters the rate of construction spending showed weakness in the rate of homebuilding. However, commercial spending remained firm, and industry building gained slightly. For the year as a whole, construction outlays were at a record $68.1 billion which was 3 percent higher than the 1964 figure of $65.8 billion. However, the over-the-year gain resulted almost entirely from a rise in the cost of construction and not


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
6
5
4
3
2
1
0
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through December 1965
1957
1958
1959
1960
1961
1962
1963
1964
1965
1 Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959 and Puerto Rico beginning January 1961.
2 Source: Bureau of the Census and Bureau of Labor Statistics. Data revised for past periods to conform to definitions effective January 1957.
3 Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.
U.S. DEPARTMENT OF LABOR

from an increase in physical volume. In the private sector (which showed a rise of 4 percent in the rate of spending) physical volume increased by only 1 percent, while in the public sector physical volume in 1965 was about 2 percent less than in 1964.

Private nonfarm housing starts moved higher during the fourth quarter, averaging some 1.5 million per month compared with a rate of 1.4 million in the previous quarter. After dropping to 1.4 million units in October, the lowest for any month in 2½ years, the rate of housing starts improved considerably during the latter months of the quarter, moving up to 1.5 million in November and then to 1.7 million in December. Most of the improvement was in the North Central part of the country. Estimates for the year as a whole indicate that some 1,503,000 units were started in 1965, about 3 percent below the total in 1964 and 6 percent below the 1963 figure.

Personal income in the fourth quarter was at a seasonally adjusted annual rate of $546.0 billion, higher by $10 million than the previous quarter. Most of the rise resulted from substantially higher rates in the wages and salary components, as payrolls in manufacturing, service, and government continued their recent series of increases. Dividend income also rose sharply over the quarter.

For the year as a whole, personal income grew by 7 percent to a record $530.7 billion. The wages and salary total gained sharply, increasing from $333.5 billion to $357.4 billion. The largest advance in the payroll sector occurred in manufacturing industries; payrolls in the durable goods

manufacturing section rose 9 percent and those in the nondurables rose 5 percent. Government payrolls increased 7 percent, reflecting higher pay rates for civilians and the military. State and local government payrolls also moved up sharply.

Retail sales during December were at a seasonally adjusted level of $24.3 billion—up by 1 percent from the preceding month. This rise carried the average for the quarter to $24.1 billion, compared with $23.6 billion in the July-September period.

For the year as a whole, total retail sales were an estimated $282.7 billion—an all time high. In 1964, sales totaled $261.6 billion.

Employment

Civilian employment during the fourth quarter grew to a record average of 72.9 million (seasonally adjusted) compared to the third quarter figure of 72.4 million. All of the gain occurred in the nonfarm sector which rose by 600,000 to 68.5 million. Agricultural employment declined by 150,000 to 4.4 million. Adult women and teenagers accounted for all of the employment increase, with gains of 189,000 and 337,000, respectively. Employment of adult men edged down by 63,000.

Compared with the fourth quarter of 1964, employment was about 2.2 million higher (seasonally adjusted), with gains of nearly 1 million for teenagers, 900,000 for adult women, and 350,000 for adult men.

Nonfarm payroll employment rose each month during the fourth quarter, and the average volume, at 61.4 million (seasonally adjusted) compared with 60.7 million in the third quarter. The largest gains were registered in the construction industry, a result of the unusually mild weather in most areas for that time of year, and in manufacturing.

Manufacturing employment (seasonally adjusted) averaged about 18.3 million during the quarter, rising some 100,000 each month. This was nearly double the rise during the fourth quarter of 1964, and the largest increase for any quarter since early 1959. Durable goods industries accounted for some two-thirds of the factory rise; the heavy gains occurred in electrical equipment, transportation equipment, and machinery industries. In the nondurable goods sector, employment increased by 120,000 over the quarter; the largest increases occurred in the apparel and rubber industries.

Over the year, payroll employment increased by 2.6 million (seasonally adjusted). Manufacturing accounted for almost 900,000 or about one-third of the total rise, with most of the factory job gain in the durable goods sector. Employment in the trade and service industries rose by 500,000 and 400,000, respectively, while that in government was up by about 500,000.

Unemployment

Total unemployment in the fourth quarter stood at an average of 3.2 million (seasonally adjusted), or 4.2 percent of the civilian labor force. During the quarter, the rate fell by 0.1 percent each month; in December it reached the lowest point—4.1 percent—since May 1957.

The unemployment rates for most worker groups, which kept dropping throughout 1965, continued to move lower in December. The rate for adult men in the final month of the year was down to 2.6 percent, the lowest figure since October 1953. For adult women, the rate was down to 3.9 percent, the lowest since April 1957. The teenage rate, although still high at 13.1 percent, has shown improvement over the year; last December the rate was 15.7 percent.

Nonwhite unemployment totaled 600,000 in December, down more that 100,000 from a year earlier. The jobless rate for nonwhite workers averaged 7.8 percent in the fourth quarter, its lowest point since the spring of 1957. The improvement in the nonwhite job situation over the year has occurred mainly among adult men. However, the total nonwhite unemployment rate remained twice as high as the white rate.

The number of persons jobless 15 weeks or more was down to 600,000 in December compared with 800,000 a year earlier. More than half of the over-the-year reduction in long-term unemployment was among persons seeking work 27 weeks or longer, bringing the volume of that jobless group down to 270,000.

Insured unemployment under the State programs averaged 1,085,000 in the fourth quarter, 41,000 under the volume in the preceding quarter and the lowest quarterly average since 1956. In the comparable quarter of 1964, insured unemployment was 283,000 higher.

Among the States, the largest reductions from the final 1964 quarter were in New York (57,600), California (25,500), and Pennsylvania (20,700).

Insured Unemployment*

Final Quarter 1965

During the final quarter of calendar year 1965, State insured unemployment averaged 1,085,000 per week, the smallest volume in 9 years. In October, the weekly average of 916,000 was at the low point for the year; then the usual winter rise began in November and continued through December. The December volume of 1,307,000 was 274,000 above the preceding month but was 368,000 below a year earlier. Further recalls of auto workers, following the model-change period and a seasonal pickup in apparel manufacturing contributed in large measure to the October reduction, while the mounting volumes in both November and December chiefly reflected seasonal curtailment in construction and other outdoor activity. On a seasonally adjusted basis, the December level of insured joblessness at 1.2 million showed little change from the 2 prior months, but was well below the 1.5 million level of a year ago.

Paralleling the movement under State programs, insured joblessness under the program for ex-servicemen (UCX) fell 3,400 in October to 24,100, edged up by 1,000 in November, then rose to 28,800 in December which was 40 percent below the year-earlier figure. Under the Federal employees' program (UCFE), insured unemployment moved upward in each month of the quarter, increasing by 700 in October, 1,300 in November, and 1,900 in December—to a weekly average of 23,100 which was 6,700 below the December 1964 number.

Between October and November, the rate of insured joblessness (unadjusted) edged up from 2.0 to 2.3 percent; then in the last month of the quarter it climbed to 3.0 percent—the lowest December rate since 1952 when it was 2.6 percent. (On an adjusted basis, however, the rate remained unchanged at 2.7 percent for the entire quarter.) As usual, Alaska's December rate (11.6 percent) was the highest in the Nation. Other rates above 5.0 percent were 8.0 in Puerto Rico, 5.9 in North Dakota, 5.4 in Washington, and 5.3 each in California and Nevada. In contrast, 14 States had December rates of less than 2.0 percent, including the large States of Illinois (1.6), Indiana (1.4), Michigan (1.6), and Texas (1.6).

Increased Joblessness Widespread

The seasonal uptrend in insured joblessness which became widespread in November as 46 States reported higher volumes intensified in December, with all States showing rises except Hawaii.

Increases which were generally moderate in November became sharper in December with nine States reporting rises of as much as 10,000 compared with two States in November. States with the largest advances in December were California, New Jersey, New York, and Pennsylvania; these increases ranged between 15,000 and 48,000.

Insured joblessness in *New York*, after moving up by 16,200 between October and November, climbed 47,600 in December—the largest increase among the States. Nearly two-fifths of the December rise was among workers from the manufacturing industries, chiefly in apparel, while one-fifth was among construction workers. Compared with a year earlier, insured unemployment was some 53,300 lower. About one-half the drop reflected greater activity in the apparel, transportation, and miscellaneous manufacturing sectors, while a fifth resulted from stepped-up activity in the construction industry.

In November a substantial rise of 39,500 in *California's* insured unemployment was followed by an increase of 25,300 in December. The rise was fairly evenly divided among workers from manufacturing, chiefly from the food processing and lumbering industries, and among construction workers idled by rains. Compared with December 1964, insured unemployment was down by 34,300, reflecting less joblessness among electrical machinery, transportation equipment, and fabricated metal workers, and among workers from the trade and service industries.

In *Pennsylvania*, insured joblessness showed a continuous rise throughout the quarter, with the December volume some 20,500 above that for the

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

Week ended—	Initial claims [1]		Insured unemployment [1]	
	1965	1964	1965	1964
Oct. 2	177, 200	212, 200	901, 500	1, 106, 400
Oct. 9	200, 400	237, 100	900, 100	1, 112, 300
Oct. 16	178, 300	202, 800	923, 100	1, 136, 200
Oct. 23	192, 700	228, 300	922, 700	1, 157, 300
Oct. 30	187, 800	234, 800	922, 200	1, 157, 800
Nov. 6	205, 100	246, 300	923, 500	1, 182, 000
Nov. 13	196, 000	250, 100	994, 600	1, 255, 400
Nov. 20	256, 700	320, 600	1, 027, 300	1, 274, 700
Nov. 27	228, 600	273, 600	1, 138, 100	1, 423, 600
Dec. 4	257, 300	346, 100	1, 154, 300	1, 475, 000
Dec. 11	250, 900	330, 300	1, 187, 600	1, 535, 900
Dec. 18	263, 200	310, 800	1, 237, 900	1, 582, 900
Dec. 25	287, 200	370, 600	1, 355, 000	1, 798, 700
Jan. 1	376, 600	392, 300	1, 538, 200	2, 011, 100
Weekly averages				
October	189, 200	244, 500	916, 300	1, 138, 200
November	224, 900	376, 200	1, 032, 800	1, 293, 100
December	289, 600	348, 306	1, 306, 900	1, 675, 300

[1] Refers to State programs only.

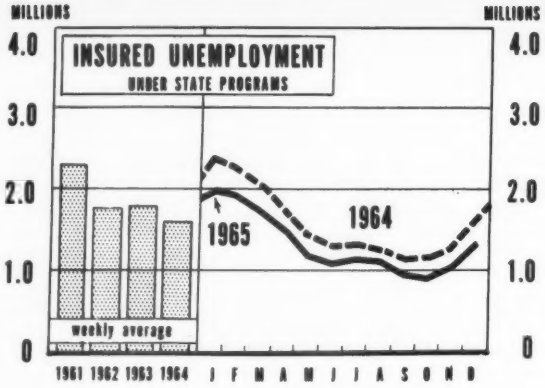
preceding month. The December increases mainly reflected a seasonal slowdown in construction activity and increased joblessness among apparel workers. The decline of 24,900 from a year earlier was distributed fairly evenly among the construction, trade, and manufacturing establishments. In the latter industry division, reductions in nearly all the industry groups were largely offset by a sharp increase in primary metals.

The number of insured jobless in *New Jersey* showed a slight rise between October and November, then moved up by 18,000 or 38 percent in December—about the expected rise for this time of year. A cutback in manufacturing activity, mainly in the apparel industry, accounted for about half the rise; nearly all of the remainder was among construction and service workers. Over the year, insured unemployment showed a decline of 15,800, chiefly among workers from the construction industry, and from food processing and electrical machinery manufacturing.

In *Massachusetts* and *Illinois*, insured unemployment in December showed only moderate over-the-month increases, but registered sizable over-the-year reductions—21,700 and 20,100, respectively. Less unemployment among workers from the construction, trade, service, electrical machinery, and textile industries accounted for the bulk of the decline from a year earlier in Massachusetts, while the Illinois drop reflected greater activity in the construction and trade industries.

Activity [1]	Number or amount	Percent change from—		Cumulative (in thousands) First 10 months	
	October 1965	September 1965	October 1964	1965	1964
Initial claims [2]	791, 200	+4. 1	−18. 1	9, 757	11, 135
Weeks claimed [2]	3, 894, 800	−13. 8	−19. 7	59, 124	70, 928
Insured unemployment (weekly average) [2]	916, 300	−4. 4	−19. 5	1, 369	1, 627
Beneficiaries (weekly average)	745, 100	−10. 6	−18. 0	1, 175	1, 408
Benefits paid [3]	$117, 783, 600	−19. 3	−17. 7	$1, 862, 924	$2, 165, 424
Claimant exhaustions	67, 300	−7. 7	−22. 2	944	1, 186
				First 11 months	
	November 1965	October 1965	November 1964	1965	1964
Initial claims [2]	1, 004, 200	+26. 9	−15. 2	10, 761	12, 319
Weeks claimed [2]	4, 418, 600	+13. 4	−15. 6	63, 542	76, 164
Insured unemployment (weekly average) [2]	1, 032, 800	+12. 7	−20. 1	1, 329	1, 593
Beneficiaries (weekly average)	794, 400	+6. 6	−18. 0	1, 140	1, 370
Benefits paid [3]	$132, 158, 200	+12. 2	−10. 1	$1, 993, 768	$2, 311, 410
Claimant exhaustions	65, 200	−3. 2	−21. 6	1, 010	1, 270
				First 12 months	
	December 1965	November 1965	December 1964	1965	1964
Initial claims [2]	1, 285, 400	+28. 0	−20. 6	12, 047	13, 938
Weeks claimed [2]	5, 499, 500	+24. 5	−24. 9	69, 042	83, 483
Insured unemployment (weekly average) [2]	1, 306, 900	+26. 5	−22. 0	1, 328	1, 605
Beneficiaries (weekly average)	990, 200	+24. 6	−22. 8	1, 131	1, 373
Benefits paid [3]	$172, 109, 800	+30. 2	−18. 6	$2, 166, 004	$2, 522, 100
Claimant exhaustions	76, 400	+17. 3	−24. 6	1, 086	1, 371

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.



Initial Claims Rise Seasonally

The average weekly volume of initial claims under State programs moved upward in each month of the final quarter. The December total at 289,600 was 64,800 above the preceding month but was the lowest volume for that month in 10 years. Under the UCX program, the average number of initial claims edged up from 4,200 in November to 4,600 in December, 2,400 below the year-ago figure. Jobless Federal workers (UCFE program) filed an average of 2,600 initial claims per week in December, compared with 2,300 in November and 2,900 in December 1964.

Claimant Exhaustions at a 9-Year Low

After reaching the low point for the year in November, the number of persons exhausting their benefit rights under State programs rose in December by 11,200 to 76,400. This was 24,900 below the December 1964 level and the lowest December volume since 1956. The number of exhaustees in December represented about 7 percent of the estimated 1.1 million persons who stopped filing for benefits under State unemployment insurance programs. The remainder of the dropouts presumably had been reemployed, had left the labor force, or may have been disqualified from receiving benefits.

Benefits Continue Seasonal Rise in December

In December, some $184.7 million in benefits was paid under all regular unemployment insurance programs—an increase of $41.7 million over the November figure but well below the $230.4 million figure in December 1964. Of the total this December, $172.1 million was disbursed under the State programs (a jump of $40 million from November), some $4.6 million under the railroad program, and an aggregate of $8.0 million under the two Federal programs (UCX and UCFE).

The average weekly benefit check for totally unemployed workers covered by State programs was $38.81 in December compared with $38.08 in November and $36.81 a year earlier. The highest average benefit payments—ranging from $42.00 to $47.00—were paid in California, Colorado, Illinois, and Michigan. The lowest benefit amounts—ranging from $16.00 to $26.00—were issued in Maine, Mississippi, North Carolina, Puerto Rico, and West Virginia.

Nearly 10 percent of all benefit checks paid in December were for partial unemployment—about the same as in November. The average weekly check for partial unemployment was $23.45, compared with $23.11 in November and $21.66 in December 1964. There are wide differences among the States in the proportions of the partially unemployed claimants. States with the highest proportions were New Hampshire (20.4 percent) and Pennsylvania (18.8). Puerto Rico, the District of Columbia, and Alaska reported the lowest proportions of 2.5 percent, 3.6 percent, and 3.7 percent, respectively.

The March issue of the *Review* will include summaries of selected unemployment insurance research reports published by the State agencies in 1965.

Income-Maintenance Program Operations
All Programs

	1965		1964	
	July	June	July	June
Total Public Income-Maintenance Payments (millions)	$3,088	$3,077	$2,956	$2,933
Old-age, survivors, and disability insurance	1,417	1,429	1,353	1,356
Railroad and public employee retirement	1/ 489	1/ 487	1/ 449	1/ 444
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/ 352	2/ 367	2/ 387	2/ 386
Veterans' compensation and pension programs	376	333	343	326
Public assistance	455	460	423	423
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	20,237	20,151	19,546	19,452
Retired workers	10,892	10,842	10,539	10,481
Survivors and dependents	8,395	8,365	8,139	8,109
Disabled workers	950	944	868	862
Total monthly benefits (millions)	3/ $1,365	3/ $1,357	3/ $1,304	3/ $1,296
Retired workers	850	845	815	810
Survivors and dependents	428	426	410	408
Disabled workers	87	86	79	78
Public Assistance				
Total recipients (thousands)	8,083	8,159	7,858	7,890
Federally aided programs	7,441	7,496	7,158	7,182
Aid to families with dependent children--children	3,292	3,326	3,143	3,159
Total recipients	4,377	4,429	4,191	4,215
Old-age assistance	2,145	2,149	2,177	2,182
Other federally aided programs	919	918	790	785
General assistance: Cases	306	317	321	325
Recipients	642	663	700	708
Total payments (millions)	4/ $455	4/ $460	4/ $423	4/ $423
Federally aided programs	425	429	394	393
General assistance	20	21	21	21

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA*		MDTA	
	August 1965	July 1965	August 1965	July 1965	August 1965	July 1965
Total paid trainees	47,513	45,330	3,515	4,077	43,998	5/ 41,253
Youths	9,319	9,339	NA	NA	9,319	9,339
Total initial trainees	11,573	9,399	NA	NA	11,573	9,399
Youths	2,564	2,237	NA	NA	2,564	2,237
Total net benefits	$8,706,005	$6,754,294	$223,098	$259,539	$8,482,907	5/ $6,494,755
Training allowances	6,507,317	5,024,857	223,098	259,539	6,284,219	5/ 4,765,318
Youth allowances	697,352	575,891	NA	NA	697,352	575,891
Subsistence allowances	702,486	648,352	NA	NA	702,486	648,352
Transportation allowances	798,850	505,194	NA	NA	798,850	505,194

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	August 1965	July 1965	August 1965	July 1965	August 1965	July 1965	August 1964	July 1964
California								
State plan								
Basic benefits	48,412	45,741	294,730	284,956	$15,944,188	$15,439,261	$14,417,452	$15,518,957
Additional hospital benefits	6/ 29,485	6/ 32,639	7/ 212,435	7/ 235,925	2,549,220	2,831,100	2,295,996	2,561,316
Private plan	2,996	2,908	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New Jersey								
State plan	7,548	7,157	55,758	55,889	2,143,420	2,150,613	1,946,993	2,050,519
Private plan	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
New York	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)	(8/)
Rhode Island	2,809	2,659	26,697	26,221	933,858	913,240	855,682	950,435
Railroad								
Sickness	12,101	27,851	9/ 106,810	10/ 67,772	3,783,356	2,002,338	4,063,305	2,859,639
Maternity	120	151	9/ 2,530	10/ 2,104	178,247	148,363	174,691	164,742

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.

2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.

3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.

4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail. 5/ Adjusted.

6/ Represents the number of payments made. 7/ Days for which additional hospital benefits were paid. 8/ Data not available.

9/ Estimated from data "benefit periods" compensated which number 53,405 for sickness and 1,265 for maternity.

10/ Estimated from data "benefit periods" compensated which number 33,886 for sickness and 1,052 for maternity.

NA--Not applicable. * ARA program transferred to MDTA after June 30, 1965. These data represent ARA projects approved prior to July 1, 1965.

Income-Maintenance Program Operations
All Programs

	1965		1964	
	August	July	August	July
Total Public Income-Maintenance Payments (millions)	$3,071	$3,088	$2,936	$2,956
Old-age, survivors, and disability insurance	1,408	1,417	1,360	1,353
Railroad and public employee retirement	1/ 495	1/ 489	1/ 453	1/ 449
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/ 358	2/ 352	2/ 369	2/ 387
Veterans' compensation and pension programs	351	376	332	343
Public assistance	459	455	422	423
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	20,205	20,237	19,632	19,546
Retired workers	10,884	10,892	10,584	10,539
Survivors and dependents	8,366	8,395	8,173	8,139
Disabled workers	955	950	874	868
Total monthly benefits (millions)	3/ $1,364	3/ $1,365	3/ $1,311	3/ $1,304
Retired workers	850	850	820	815
Survivors and dependents	427	428	412	410
Disabled workers	87	87	80	79
Public Assistance				
Total recipients (thousands)	8,118	8,083	7,872	7,858
Federally aided programs	7,456	7,441	7,159	7,158
Aid to families with dependent children--children	3,297	3,292	3,132	3,143
Total recipients	4,388	4,377	4,176	4,191
Old-age assistance	2,145	2,145	2,145	2,177
Other federally aided programs	923	919	815	790
General assistance: Cases	313	306	323	321
Recipients	662	642	713	700
Total payments (millions)	4/ $459	4/ $455	4/ $422	4/ $423
Federally aided programs	429	425	392	394
General assistance	20	20	21	21

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA*		MDTA	
	September 1965	August 1965	September 1965	August 1965	September 1965	August 1965
Total paid trainees	52,258	47,513	1,728	3,515	50,530	43,998
Youths	12,354	9,319	NA	NA	12,354	9,319
Total initial trainees	13,097	11,573	NA	NA	13,097	11,573
Youths	3,455	2,564	NA	NA	3,455	2,564
Total net benefits	$9,579,512	$8,706,005	$153,160	$223,098	$9,426,352	$8,482,907
Training allowances	6,950,058	6,507,317	153,160	223,098	6,796,898	6,284,219
Youth allowances	968,633	697,352	NA	NA	968,633	697,352
Subsistence allowances	796,493	702,486	NA	NA	796,493	702,486
Transportation allowances	864,328	798,850	NA	NA	864,328	798,850

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	September 1965	August 1965	September 1965	August 1965	September 1965	August 1965	September 1964	August 1964
California								
State plan								
Basic benefits	45,328	48,412	286,131	294,730	$15,495,358	$15,944,188	$15,140,287	$14,417,452
Additional hospital benefits	5/ 27,930	5/ 29,485	6/ 202,400	6/ 212,435	2,428,800	2,549,220	2,349,648	2,295,996
Private plan	2,524	2,996	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
New Jersey								
State plan	7,544	7,548	59,166	55,758	2,276,676	2,143,420	2,035,874	1,946,993
Private plan	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
New York	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
Rhode Island	2,720	2,809	26,824	26,697	936,130	933,858	860,098	855,682
Railroad								
Sickness	8,713	12,101	8/ 107,566	9/ 106,810	3,990,428	3,783,356	4,645,598	4,063,305
Maternity	103	120	8/ 2,222	9/ 2,530	156,739	178,247	169,778	174,691

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems.

2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.

3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.

4/ Total exceeds sum of items because of inclusion of vendor payments, not shown in detail.

5/ Represents the number of payments made. 6/ Days for which additional hospital benefits were paid. 7/ Data not available.

8/ Estimated from data "benefit periods" compensated which number 53,783 for sickness and 1,111 for maternity.

9/ Estimated from data "benefit periods" compensated which number 53,405 for sickness and 1,265 for maternity.

NA--Not applicable. * ARA program transferred to MDTA after June 30, 1965. These data represent ARA projects approved prior to July 1, 1965.

Selected Unemployment Insurance Statistics, State Programs, October 1965

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending October 1965 (in thousands)		Funds available Oct. 1965 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/791181	8/894844	8/916308	745094	$37.32	67286	$1177825611	$2219600	$2279381	$8259700
Alabama	12420	54292	12366	9913	28.51	1017	11662260	15540	30404	92011
Alaska	2376	6953	2098	1444	37.38	141	2227774	5195	9924	10/145231
Arizona	6717	30736	7470	5936	36.88	559	902769	17546	15300	64552
Arkansas	7204	29363	7444	4841	27.26	518	5365533	12624	15520	31688
California	137302	703459	168846	145386	44.11	12575	3271 2641	2/5 391895	524216	648893
Colorado	2340	11444	2848	1961	41.83	219	3311695	13354	17617	61034
Connecticut	10656	54770	12633	11363	39.23	1261	1822346	37259	59425	201747
Delaware	1287	5961	1426	1406	37.42	111	212883	5285	9871	24661
Dist. of Col.	2127	13709	2240	2304	40.89	282	563487	9415	10451	64301
Florida	12720	85853	19990	15466	27.30	2993	1724112	20813	45392	177116
Georgia	9749	48436	11858	7956	29.62	1197	918136	16133	39153	192827
Hawaii	2659	18486	4691	2590	40.90	275	588314	7119	10833	24242
Idaho	1666	6161	1575	1031	35.75	59	142503	6211	9961	30919
Illinois	26304	140436	35513	29336	39.77	3042	4719599	92226	147300	533319
Indiana	12833	46913	11579	9470	32.05	1069	1244581	25741	48678	184608
Iowa	2852	12989	3152	2304	32.98	242	295676	8546	12991	116264
Kansas	2506	19612	4747	4220	37.75	449	650920	15713	17352	64767
Kentucky	8316	45017	10823	7594	33.32	613	1003734	20339	31822	121272
Louisiana	7560	45680	10630	9860	32.78	1030	1297921	23861	36934	125777
Maine	2630	18298	4501	2625	24.78	505	331995	6867	11346	34689
Maryland	11919	52585	12600	10775	38.35	712	1665596	29179	61561	175737
Massachusetts	34328	170929	42441	37543	39.40	2290	5566394	109965	137641	225684
Michigan	15440	64136	18604	16325	43.53	1320	2920415	61297	189570	10/541876
Minnesota	6310	31396	7450	5825	29.52	582	702777	29760	30851	25766
Mississippi	2962	17589	4235	2087	24.69	351	311432	8074	21025	60536
Missouri	21843	74574	18685	12624	32.80	1085	1576361	38671	51336	241211
Montana	1442	6253	1511	1254	30.09	151	160054	6448	6054	19645
Nebraska	1976	12078	2866	2802	33.84	272	388800	8797	8958	41713
Nevada	4737	19747	4826	2985	41.90	337	687791	11157	11537	29186
New Hampshire	2260	7769	1953	1276	35.41	27	162604	4446	8584	29654
New Jersey	32663	184954	44111	41956	39.94	2910	5696630	120134	146994	309624
New Mexico	2683	12716	3480	2816	30.12	213	346448	7575	7842	35540
New York	134979	601966	144855	131897	44.55	8256	20826913	371407	505939	1302354
North Carolina	12684	57872	12882	10292	26.52	927	1100163	26803	52590	238248
North Dakota	513	1930	507	325	35.95	23	47866	5624	5664	7408
Ohio	34865	119120	30728	19746	37.63	1283	3050521	75049	207187	347602
Oklahoma	6261	39788	9600	7610	26.91	695	842765	17933	18444	48651
Oregon	10564	34073	8502	5834	35.65	466	847995	23363	35183	96260
Pennsylvania	66306	261084	62642	50977	33.51	2792	6443792	120762	309067	10/3394978
Puerto Rico	8/18223	9/252526	8/37365	12990	17.30	2280	1012682	2/170222	21194	54731
Rhode Island	6223	22652	5394	4677	35.42	382	650379	11982	24902	55881
South Carolina	6542	32691	7801	6850	29.77	829	768261	12873	23316	95013
South Dakota	550	2577	657	503	29.87	64	57146	2561	2715	15006
Tennessee	8821	54395	12934	10345	28.85	852	1189228	24743	45297	105452
Texas	21453	117081	27642	21246	30.11	2055	2622733	49358	64040	250825
Utah	2702	19241	4809	2698	36.69	313	559767	12707	11516	38731
Vermont	1535	6391	1614	1223	33.74	83	158937	4413	5891	8315
Virginia	5259	19666	4616	2351	30.05	410	418138	10460	25205	148040
Washington	20703	97075	24154	19627	32.05	1	2608567	49891	61637	216729
West Virginia	5911	31387	8382	5758	25.34	493	592910	12606	16175	62832
Wisconsin	6607	37486	9277	7843	41.45	665	1308863	36291	54137	219161
Wyoming	609	2116	756	612	36.71	68	90804	2924	4841	10103

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $6,225,335 in payments under extended duration provisions of State laws in two States: California $6,152,568 and Puerto Rico $72,767.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

Selected Unemployment Insurance Statistics, Federal Programs [1]
October 1965

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	10,370	81,564	17,738	$3141061	$39.04	16,439	102,504	22,675	$3712,086	$37.70
Alabama	169	1,257	240	29,570	29.34	353	1,876	390	50,167	30.65
Alaska	184	1,299	314	54,230	41.18	46	310	70	11,079	37.81
Arizona	161	1,065	269	42,026	38.04	270	1,536	337	54,582	38.55
Arkansas	93	1,008	197	26,129	31.56	118	703	139	18,086	31.08
California	1,164	14,775	2,278	891,948	47.86	2,826	20,819	4,837	997,307	43.08
Colorado	76	371	63	11,273	42.86	162	677	151	25,972	40.97
Connecticut	52	369	79	14,159	42.78	96	478	100	15,773	37.73
Delaware	16	141	25	4,427	41.76	20	144	31	5,280	40.62
Dist. of Col.	278	2879	788	151,581	45.82	92	479	107	18,075	40.35
Florida	186	1,378	180	22,430	29.71	327	1,981	404	52,246	31.41
Georgia	331	1,916	367	50,550	32.80	196	1,350	305	42,359	33.85
Hawaii	85	956	309	56,979	43.86	110	838	211	40,626	45.91
Idaho	63	209	26	3,428	30.88	49	121	24	3,755	37.18
Illinois	299	3,421	762	122,689	38.35	498	2,179	465	70,587	36.18
Indiana	139	584	108	15,325	33.83	252	1,110	233	34,226	34.92
Iowa	42	319	52	8,403	38.37	81	418	102	16,839	39.16
Kansas	77	576	124	19,206	36.79	122	620	156	26,845	40.86
Kentucky	150	780	157	21,860	33.12	332	2,795	642	96,687	35.88
Louisiana	87	1,224	273	39,087	34.11	195	1,617	339	50,755	35.69
Maine	45	251	56	4,762	20.18	51	166	31	3,976	30.12
Maryland	209	1,153	202	32,271	38.06	445	1,388	329	53,018	38.35
Massachusetts	364	3,741	990	180,030	43.31	311	2,654	640	113,738	42.30
Michigan	202	1,255	260	42,859	39.32	446	2,350	523	86,619	39.46
Minnesota	130	648	168	18,350	25.99	204	1,029	254	37,888	35.48
Mississippi	60	447	100	9,831	23.41	51	313	71	8,360	28.15
Missouri	281	1,602	303	39,382	30.94	306	1,673	358	51,701	34.35
Montana	67	252	50	6,714	32.28	39	163	28	3,774	31.98
Nebraska	50	380	99	13,595	32.68	37	238	50	7,188	34.39
Nevada	55	310	57	10,301	43.28	70	427	100	17,781	42.24
New Hampshire	12	83	23	3,607	36.81	39	149	37	6,666	43.29
New Jersey	283	2,070	396	72,772	43.73	485	3,574	768	130,568	40.82
New Mexico	158	751	165	21,618	31.24	155	869	198	26,654	33.07
New York	1,355	8,816	1,736	296,860	40.76	1,367	6,707	1,412	211,296	35.62
North Carolina	153	843	176	21,814	29.44	235	1,533	325	50,008	36.65
North Dakota	27	149	23	3,517	33.85	41	144	24	3,823	38.62
Ohio	237	1,464	354	54,479	36.65	855	4,416	793	120,570	36.19
Oklahoma	112	1,309	298	34,985	27.94	144	1,641	363	45,412	29.80
Oregon	112	590	127	17,342	32.41	232	775	175	28,800	39.13
Pennsylvania	758	5,190	1,006	152,145	36.00	1,553	9,371	2,021	314,734	37.07
Puerto Rico	69	746	161	26,165	39.75	297	4,148	935	139,472	35.53
Rhode Island	42	484	111	19,054	40.98	89	393	87	13,980	38.30
South Carolina	108	605	116	14,855	30.38	179	901	190	29,156	36.45
South Dakota	32	251	64	8,283	30.79	35	217	48	6,465	32.16
Tennessee	273	1,775	399	57,165	34.15	273	2,622	590	79,692	32.13
Texas	439	3,778	795	108,547	32.49	737	5,266	1,266	185,045	34.80
Utah	182	1,263	250	41,031	39.11	96	826	178	27,097	36.27
Vermont	8	59	14	2,275	37.92	29	137	30	5,049	39.45
Virginia	159	1,000	211	30,779	34.70	183	1,355	245	35,654	34.62
Virgin Islands	2	38	15	2,439	38.71	7	37	5	882	38.35
Washington	506	4,334	1,100	163,781	35.47	703	3,007	709	111,527	37.46
West Virginia	46	356	75	7,083	22.41	349	2,494	524	68,194	30.97
Wisconsin	170	939	203	32,360	38.03	240	1,381	314	50,464	38.32
Wyoming	12	105	24	3,910	38.71	11	89	24	3,591	36.27

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $232,976 in payments under extended duration provisions of State laws in California. UCX includes $122,000 in payments under extended duration provisions of State laws in California.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Selected Unemployment Insurance Statistics, State Programs, November 1965

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending November 1965 (in thousands)		Funds available Nov. 1965 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total	8/1004203	8/4418553	8/1032818	794400	$38.08	65155	$132158183	$2204458	$3316211	$8441766
Alabama	11097	66414	14497	10782	29.68	1025	1386662	15863	30919	98006
Alaska	2957	13289	3325	2465	39.51	174	423086	5330	10404	10/16773
Arizona	6999	32338	7365	5608	36.92	567	893551	17331	15661	65740
Arkansas	8259	35795	8407	5275	27.93	518	689460	12499	16247	33670
California	219136	862443	208301	169448	45.05	14151	37468934	537794	9/529346	697831
Colorado	5367	15802	3809	2308	42.68	178	436149	13053	17632	62934
Connecticut	9784	55988	12695	11329	40.05	1166	1952072	36562	59902	205402
Delaware	1775	6566	1529	1502	37.06	147	237904	5176	9902	24543
Dist. of Col.	2688	15056	3532	3269	41.38	227	589788	9355	10676	65106
Florida	12432	70404	16489	10269	27.67	1597	1218988	20547	45146	181492
Georgia	8633	48814	11708	7534	29.49	1109	898337	15847	39453	197139
Hawaii	2772	21315	5311	3867	40.42	239	658222	7085	11206	23720
Idaho	3515	10260	2614	1236	38.42	44	193527	6163	10174	32582
Illinois	34314	152329	35330	27725	40.61	2872	4784760	91746	143563	546552
Indiana	14156	58928	12840	10123	33.12	1094	1447059	25526	50298	184726
Iowa	3952	15601	3699	2516	34.93	232	359715	8515	14307	117571
Kansas	4589	22537	5233	4122	37.56	439	663264	15422	17875	65673
Kentucky	9788	48290	10655	8440	33.37	783	1172380	20323	32016	123684
Louisiana	8013	45314	10672	8419	33.43	814	1194330	23762	37787	128628
Maine	5145	21717	4933	3859	24.26	175	375345	6775	11505	35391
Maryland	13312	62584	15298	12823	39.17	657	2117841	29400	60211	177194
Massachusetts	42798	193034	45915	37937	39.99	3125	6082873	108496	142734	234887
Michigan	22794	90665	21482	16280	40.97	1327	2868325	60473	190456	10/515448
Minnesota	12011	58081	10953	7287	29.83	704	934195	28814	31552	89576
Mississippi	4800	19485	4534	3161	25.20	315	338923	7943	21452	63411
Missouri	24785	85403	18632	13659	33.46	1080	1799504	32365	51816	241051
Montana	2742	8882	2392	1511	30.03	179	204006	6377	6159	20331
Nebraska	2853	13540	3026	2785	33.73	515	402700	8871	8901	42387
Nevada	5056	22724	5315	4400	41.94	364	796679	11306	11258	30119
New Hampshire	2181	9569	2110	1551	33.13	20	200324	4286	8769	30738
New Jersey	43079	195702	47016	42294	40.09	3963	7150722	127042	148164	322989
New Mexico	4436	17833	4292	3119	30.33	194	406028	7534	7929	36032
New York	164232	680081	161017	134922	41.15	8560	22801868	369396	517833	1321646
North Carolina	18097	69923	18098	11859	25.59	981	1287316	26445	53484	244408
North Dakota	2690	5061	1896	810	38.10	68	133487	5695	5775	8139
Ohio	40107	167135	39683	27302	39.84	1377	4694776	74960	209766	369195
Oklahoma	7609	45372	10487	7009	27.01	654	819018	13723	18737	50119
Oregon	16401	48753	12145	7670	35.75	493	1175207	23105	34879	99521
Pennsylvania	77657	300114	71667	52977	34.97	2662	7441927	120502	311042	10/399488
Puerto Rico	8/14172	8/206320	8/30426	13833	16.99	2785	1103459	17040	9/21610	56148
Rhode Island	6839	24155	5823	4646	36.73	428	713116	11823	23163	56353
South Carolina	6089	35065	8287	6229	29.67	875	799462	12139	22144	97939
South Dakota	1627	4484	1091	542	30.34	72	67413	2558	2736	15316
Tennessee	11169	58719	14381	10533	29.01	1076	1275453	23492	45858	110829
Texas	23483	126774	29458	21520	30.61	2835	2840871	48530	64221	256033
Utah	5157	24942	6054	4024	37.68	328	656833	12665	11511	38125
Vermont	2023	8900	2157	1520	33.58	104	210603	4375	6180	8974
Virginia	7062	22155	5148	3459	30.22	450	448961	10341	24655	150932
Washington	22794	120656	28129	23302	31.85	334	3229970	48726	62715	218616
West Virginia	6878	38076	8392	6530	25.57	465	713195	12686	16539	64108
Wisconsin	14377	50894	12707	8222	40.07	557	1390525	35755	54467	280092
Wyoming	1069	3922	866	588	36.01	57	89076	2919	4775	10457

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $4,186,148 in payments under extended duration provisions of State laws in two States: California $4,113,018 and Puerto Rico $73,130.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.

Selected Unemployment Insurance Statistics, Federal Programs [1]
November 1965

State	UCFE					UCX				
	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/	Initial claims received 2/	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid 3/	Average weekly payments for all unemployment 4/
Total	10437	91635	18547	$336179	$3898	18481	107400	21434	$654239	$3796
Alabama	194	1373	236	31106	2997	359	2224	400	55063	3130
Alaska	188	1938	438	77152	4008	54	420	75	12542	3812
Arizona	169	1153	273	45943	3832	259	1487	301	51109	3863
Arkansas	78	1004	194	27149	3175	179	863	133	18762	3207
California	1435	15936	3173	829548	4827	3039	21918	4529	948428	4389
Colorado	95	434	73	13722	4288	204	847	151	27122	4091
Connecticut	40	397	74	14008	4284	120	473	87	14643	3833
Delaware	12	156	24	4513	4218	31	106	25	4505	4022
Dist. of Col.	227	3218	818	164180	4563	95	507	98	17201	3973
Florida	173	1282	164	21528	2982	335	1692	323	44566	3135
Georgia	210	2057	380	55410	3314	247	1376	263	39328	3393
Hawaii	64	967	297	57574	4402	139	888	202	41155	4640
Idaho	157	485	58	8604	3348	101	241	31	5106	3727
Illinois	317	3275	712	118308	3777	564	2111	407	65703	3666
Indiana	110	922	155	23906	3495	306	1229	202	31303	3517
Iowa	28	345	66	10271	3554	110	390	74	13038	4024
Kansas	104	758	139	21990	3593	159	719	145	26287	4107
Kentucky	136	976	181	25700	3225	385	2853	622	98129	3584
Louisiana	99	1034	186	27038	3301	207	1647	311	48808	3568
Maine	45	326	65	5960	2084	84	201	34	4637	3112
Maryland	142	1195	213	37029	3948	350	1300	308	51571	3805
Massachusetts	242	3892	978	189460	4401	366	2508	602	114326	4317
Michigan	270	1393	260	43211	3774	458	2109	422	74635	4019
Minnesota	112	788	206	22964	2532	253	1142	277	43631	3582
Mississippi	161	497	89	9171	2340	79	312	59	7274	2787
Missouri	183	1685	354	52053	3341	343	1820	353	53805	3460
Montana	162	506	99	14134	3257	87	187	35	5009	3253
Nebraska	51	407	100	14327	3271	53	187	40	6167	3524
Nevada	46	346	69	12831	4249	111	496	108	20150	4242
New Hampshire	17	96	21	3524	3873	44	153	28	5547	4438
New Jersey	259	2223	384	74946	4437	537	3359	649	118109	4137
New Mexico	199	1034	198	26934	3092	200	865	165	24184	3322
New York	1416	10389	1882	335724	4054	1510	7220	1323	208659	3586
North Carolina	214	1207	238	29594	2827	279	1628	331	53920	3703
North Dakota	78	266	36	5629	3540	138	305	41	6734	3741
Ohio	171	1606	408	67341	3752	1000	4920	800	128778	3660
Oklahoma	91	1393	272	33418	2792	172	1708	309	40596	2983
Oregon	176	819	147	21244	3294	298	979	203	34532	3871
Pennsylvania	447	5508	1040	166823	3645	1491	9581	1925	315454	3723
Puerto Rico	42	820	179	29000	3680	321	4827	967	150737	3542
Rhode Island	47	547	127	23713	4234	92	371	81	13941	3916
South Carolina	78	651	131	18089	3140	152	912	186	29836	3652
South Dakota	48	336	55	6990	2913	72	277	43	6272	3301
Tennessee	358	2296	481	70960	3355	344	2629	569	80740	3226
Texas	395	4073	841	120663	3259	759	5439	1224	186673	3465
Utah	151	1392	254	43335	3883	147	955	168	26480	3574
Vermont	11	71	14	2222	3643	25	177	35	5932	3803
Virginia	162	1089	213	32470	3462	225	1227	235	35728	3452
Virgin Islands	3	33	7	995	3317	3	38	7	1085	3500
Washington	526	5002	1174	184498	3571	844	3272	703	115521	3737
West Virginia	53	397	73	6805	2120	398	2666	529	71164	3057
Wisconsin	218	1530	271	47859	4015	319	1523	275	46361	3825
Wyoming	27	112	28	4613	3812	34	116	19	3253	3873

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $155,330 in payments under extended duration provisions of State laws in California. UCX includes $73,931 in payments under extended duration provisions of State laws in California.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Index For 1964 And 1965

Unemployment Insurance Review

VOLUME 1—1964

Theme Issues

			Page
JANUARY–FEBRUARY			
Unemployment Insurance Financing:			
The National Viewpoint	William U. Norwood, Jr.	BES*	1
As Industry Sees It	Russell L. Hibbard	General Motors Corp.	4
Labor Asks for Functional Financing	Raymond Munts	AFL–CIO	8
The States' Problem	J. R. Cohen	Illinois	11
MARCH			
Managing UI Programs and Operations:			
Role of the Arizona Director	Bruce Parkinson	Arizona	1
Role of the Michigan Director	Harold N. Rosemont	Michigan	3
Role of the Tennessee Director	Emmett Conner	Tennessee	8
Claims Operations in Metropolitan Areas	Edward L. Webb	BES	11
Evaluating Performance in Claims Operations.	K. E. Roberts	California	14
APRIL			
Research—Aid to UI Policy Making:			
Pregnant Women as UI Claimants in New York State.	Ruth Entes and Albert Ross	New York	1
When Is a Weekly Benefit Amount Adequate? (Part I).	Morris Sackman	BES	5
Oregon's Research Into Qualifying Requirements.	Lee Russell	Oregon	10
Profiles of the Long-Term Unemployed	Saul J. Blaustein	BES	14
Idaho Studies Claimant Characteristics	H. Fred Garrett	Idaho	20
Research in UI Coverage	Louis Benenson	BES	23
MAY			
Benefit Fraud—Prevention and Detection:			
Control of Fraud and Overpayments	Harry W. Ross	BES	1
The Fictitious Employer Problem (Michigan).	John J. Broad	Michigan	4
Wage Records: Fact or Fiction	Samuel Wolfson	Pennsylvania	7
Texas Looks for Fictitious Employers	W. T. Wright	Texas	9
Allowances for Dependents in Maryland	William J. Lanahan	Maryland	11
Penalties for Fraudulent Misrepresentation (Table).		BES	29
When Is a Weekly Benefit Amount Adequate? (Part II).	Morris Sackman	BES	26
JUNE			
Adjudicating Appeals for UI Benefits:			
Quality Control in Nonmonetary Determinations.	Anna Zenkovich	Arizona	1
Processing Mass Appeals in Michigan	Arnold C. Hartz	Michigan	6
The Adjudication Process at the Appeal Board Level.	Louis J. Naftalison	New York	9
Appeal Board's Training Program in California.	Jack D. Clevenger	California	12
Court Review of Administrative Decisions.	Francis Bergan	New York Court of Appeals.	16

* Bureau of Employment Security.

JULY

Federal Unemployment Compensation and Training Allowance Programs:			
Federal UC and Training Allowance Programs.	William A. Murphy	BES	1
ARA and MDTA Training Allowances	Walter T. Niziol	BES	9
UCFE and UCX Benefit Payments	John A. Levee and Reginald Tumbleson.	BES	12
The Federal Programs Supervisor in California.	Raymond E. Minners	California	15
Significant Dates in Federal Unemployment Compensation Programs.		BES	34

OCTOBER

Interstate Benefit Payments:			
Interstate Benefit Payment Plans	Charles E. Evitts	BES	1
The New IB Traininig Program and Manual.	Jack Anacabe	Idaho	4
Selective Claims Processing	Robert P. Harper and M. P. Filiatreau.	Arkansas	8
New Jersey Improves Interstate Claims Operations.	Michael M. Lake	New Jersey	12

NOVEMBER

The Benefit Rights Interview:			
The BRI: Purpose, Methods, Results	Robert P. Harper	BES	1
Utah Pioneers With a Film	George A. Lund	Utah	2
Oregon: The Dual Approach	Stanley J. Scully	Oregon	4
Mississippi: Flip Chart Solves Problem	Staff, UC Technical Services Department, Mississippi Employment Security Commission.	Mississippi	9

Nontheme Issues

AUGUST–SEPTEMBER

Color-Coded Claim Record Files	Betty Anderson	California	1
Slide Presentation Clarifies Iowa UI Law	Cheryl Jennisch and Keith V. Schroeder.	Iowa	4

DECEMBER

Railroad Unemployment Benefits, 1962–63 Benefit Year.	Alden F. Bixby	U.S. Railroad Retirement Board.	1
Experience Rating Operations in 1963, Interstate Differences.	Paschal C. Zecca	BES	5

Studies and Reports

JANUARY–FEBRUARY

State UI Legislation in 1963	Alice M. Demerjian	BES	17
Experience Rating, 1962 Summary	Paschal C. Zecca	BES	21

MARCH

Operations Developments	Office of State Operations and the Office of Federal Unemployment Insurance Programs and Training Allowances, UIS.	BES	20
Research Notes	Office of Program Development and Legislation and in the Office of Actuarial and Financial Services, UIS.	BES	21
Characteristics of the Insured Unemployed, January 1964.	Division of Reports Analysis, Office of Program Development and Legislation, UIS.	BES	30

APRIL

Appraisal of State UI Reserve Funds	Paschal C. Zecca	BES	28

JUNE

Characteristics of the Insured Unemployed, January–April 1964.	Division of Reports Analysis, Office of Program Development and Legislation, UIS.	BES	29

AUGUST–SEPTEMBER

State UI Legislation in 1964	Leo H. Fisk	BES	7
Insured Unemployment-Fiscal Year 1964	Rudolph V. Thompson	BES	10
Highlights From Summary of Coverage and Benefit Provisions of State Unemployment Insurance Laws as of Dec. 31, 1963.		BES	30

OCTOBER

ISSA Conclusions Adopted at 15th General Assembly.		International Social Security Association.	30

DECEMBER

Coverage Highlights — Noncovered Group Grows at Faster Rate Than Covered Group Between 1958 and 1963.		BES	(Cover 3)

Special Features

JANUARY–FEBRUARY

Extension of Coverage: New York State's Experience.	Leslie A. Curthoys	New York	14
The President's Economic Report to Congress (Excerpts).			44

MARCH

Virgin Islands Begins Benefit Payments		BES	33

NOVEMBER

Operation Earthquake	Sally T. Avrit	Alaska	28

Monthly Departments

The UIS Director Comments
Issues Reflected in Recent Appeals Decisions
Unemployment Insurance Decisions
Trends in the Economy
Insured Unemployment Activities

VOLUME 2—1965

Theme Issues

JANUARY–FEBRUARY

Tax Contributions Operations in UI:

Effect of Growth on UI Tax Program	George L. Herrmann	BES	1
Evaluating UI Tax Program Operations	John A. Travis	BES	3
UI Fund Management and Control	Harry S. Sugg	BES	6
Determining Employer Liability in Oklahoma.	John P. Hayes	Oklahoma	11
Ohio's Control and Collection of Delinquencies.	Armin A. Walter	Ohio	15
EDP Improves Contributions Process in New York.	William L. O'Toole	New York	17
Auditor's Role in an EDP System	Ben Clark and V. G. Graham	California	22

MARCH–APRIL

Data Processing Operations in UI:			
Uses of EDP in UI Operations	Minor R. Miller	BES	1
Use of EDP for Research Activities	Peter Yates	BES	7
Managing Data Processing in Missouri	Victor E. Viets and Forest A. Coleman.	Missouri	9
How Utah Utilizes ADP Equipment	L. G. Burns	Utah	14
Texas' Experience With COBOL Programming.	Sam W. Montgomery	Texas	19
Heat Transfer Addressing in New York	Samuel K. Miller	New York	21

AUGUST

Commemorative Issue of the 30th Anniversary of the Unemployment Insurance Program:			
Toward a More Effective Unemployment Insurance Program.	Hon. W. Willard Wirtz	Secretary of Labor	2
The Challenge of Changing Times	Robert C. Goodwin	BES	5
The Goals and Tasks Ahead	William U. Norwood, Jr	BES	6
Unemployment Insurance: An Appraisal 30 Years After Establishment.	John J. Corson	Princeton University	9
Unemployment Insurance in Our Economy	Stanley H. Ruttenberg	Manpower Administration.	14
Unemployment Insurance and Manpower Policy.	Daniel H. Kruger	Michigan State University.	21
Unemployment Insurance and the War on Poverty.	Elizabeth Wickenden	National Social Welfare Assembly.	26
Some "Firsts" in the History of Unemployment Insurance.		BES	32
Significant Dates in Federal Income Maintenance Legislation.		BES	33

Nontheme Issues

MAY–JUNE

A New Look at Taxable Wages for UI Financing.	Curtis P. Harding	Utah	1
Teamwork Pays Off During Emergency	Doris E. Hartman	New Jersey	6
Itinerant Claims Service in Oregon	Eric Bergman	Oregon	8

JULY

Status of State UI Reserve Funds	Paschal C. Zecca	BES	1
State UI Legislation in 1965	Joseph A. Hickey	BES	7
The Economy in Fiscal Year 1965	Nora R. Tucker	BES	11

SEPTEMBER–OCTOBER

Improving Public Understanding of the Claims Adjustment Process.	J. R. Cohen	Illinois	1
Illinois Deputies Association	Prepared by Illinois Deputies Association.	Illinois	5

NOVEMBER–DECEMBER

Feasibility of Employee Contributions to UI Funds.	Paul V. Johnson and Seema A. Shirodkar.	Purdue University	1
Experience-Rating Operations in 1964	Paschal C. Zecca	BES	5

Studies and Reports

JANUARY–FEBRUARY

UI Financing in Fiscal Year 1964	Paschal C. Zecca	BES	26

MAY–JUNE

Iowa Employer Reports on Magnetic Tape		Iowa	10

AUGUST

Summary of Proposed Employment Security Amendments of 1965.		BES	(Cover 3)

SEPTEMBER–OCTOBER

ICESA Resolutions—1965 Annual Meeting		Interstate Conference of Employment Security Agencies.	30

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COMPARISON WITH REGULAR UNEMPLOYMENT INSURANCE CLAIMANTS, Special TEUC Report No. 3, November 1965 (BES No. U-225-3). A 13-State study comparing family and other characteristics of claimants under the Temporary Extended Unemployment Compensation Program, 1961-62, and regular State programs.

Reports Currently in Preparation

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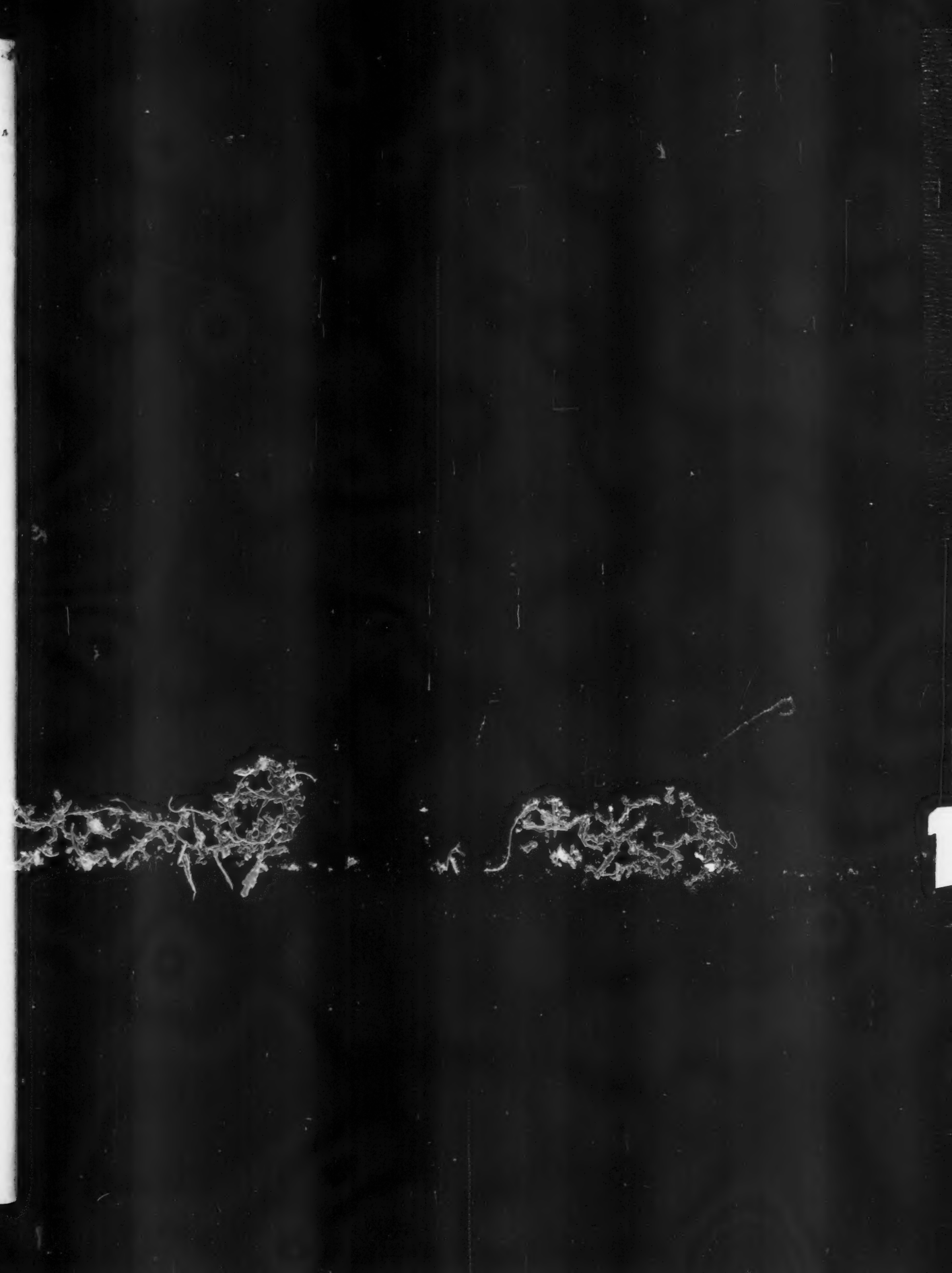
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